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NATION'S BUSINESS



SEPTEMBER, 1928

Governor Smith
on Business
and Government

as told to E. C. Hill

Herbert Hoover's
Business Philosophy

By James L. Wright



MORE THAN A QUARTER MILLION CIRCULATION



Reproduction from a painting made on the estate of the Hon. Nicholas Longworth, Cincinnati, Ohio, by Frank Swift Chase

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Among prominent persons and institutions served by the Davey Tree Surgeons are the following:

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Volume in 1924	\$1,200,000
Volume in 1925	\$1,600,000
Volume in 1926	\$2,000,000
Volume in 1927	\$2,400,000

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MARTIN L. DAVEY, President and General Manager

This Month and Next

THIS magazine is in politics and its platform has one plank: Every business man should take an intelligent interest in politics.

We have emphasized "intelligent" in that plank, because it helps to explain the two leading articles this month.

NATION'S BUSINESS is concerned with the business views of the candidates. From what point of view do Smith and Hoover look upon business? Edwin C. Hill of the New York Sun talked with the Democratic candidate and gives in his own words his views of business and government.



J. L. Wright

James L. Wright, Washington correspondent of the Buffalo Evening News, who knows Hoover well and who has been with him much of the time since he was nominated, writes with authority of "Herbert Hoover's Business Philosophy."



John Ihlder

The 270,000 readers of this magazine could not do a better thing than read the two articles before they decide how to vote.

Robert C. Morris is a distinguished New York lawyer. "Your Share in Government" will help in the work of making our business readers take that intelligent interest in politics of which we have just been speaking.

John Ihlder was, until recently, manager of the Civic Development Department of the U. S. Chamber. Few men are better qualified to write of city planning and his "The City of Tomorrow" in this issue is a real contribution.

Walker D. Hines has been, in turn, lawyer, railroad official, Director General of Railroads for the United States, and arbitrator under the peace treaties on questions of European river shipping.



W. D. Hines

It is interesting that a man of so wide an experience should become head of a trade association, but it is not surprising that, as president of the Cotton Textile Institute, Mr. Hines should have some worthwhile ideas.

One of these he embodies in making the unfit fit, his thesis being that the best need not accept the doctrine of the survival of the fittest so long as there is a

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NUMBER TEN

NATION'S BUSINESS

Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

MORE THAN A QUARTER MILLION CIRCULATION

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Service That Follows Through

DRAFTS against bills of lading, sent to the American Exchange Irving's Out-of-Town Office, are closely followed through every step until the money is collected. This Company's car tracing service automatically follows up goods shipped under arrival drafts, if not delivered on schedule.

In this way losses on perishables are often prevented, and payment of drafts is expedited. Customers are not involved in disputes and receive their remittances promptly.

The same care and attention is given by American Exchange Irving Trust Company to all domestic and foreign transactions. Every item of out-of-town business is followed through in the best interests of the customer.

AMERICAN EXCHANGE IRVING TRUST COMPANY

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New York

chance to train to usefulness those who might otherwise perish.

W. T. Grant ought to know something about selling, for he is president of the W. T. Grant Company, a chain of nearly 200 department stores throughout the United States. In the article "We Simplified Our Selling," he explains what has made this new form of merchandising so great a factor in our American life. Not least, he reveals much of his own remarkable personality.



Chester Wright

Another business writer is James Elliott, president of the Elliott Service Company.

"Making Men Like Their Jobs" is the title of Mr. Elliott's friendly human approach to a vital question of industrial relations.

Chester M. Wright, who takes a new view of unemployment in the article "A Nation of Men or Machines?" has had a long experience with trade unions.

He was editor of the *American Federationist* and was closely associated with Samuel Gompers, president of the American Federation of Labor.

Some things are sold so much on sentiment that it is difficult for us to feel that there is any opposition to them. Reclamation is one of these things. It sounds so good. It is so easy to support by suppositions in which mention is made of making the desert blossom as the rose, but here Louis J. Taber, master of the National Grange, asks what sense there is in increasing our agricultural productive plan when already we are complaining of overproduction of food supplies.

In an early issue Marshall N. Dana, associate editor of the *Oregon Daily Journal*, will answer Mr. Taber.

Among other things which we shall have next month are two cabinet officers, James J. Davis, Secretary of Labor, on some aspects of the Sherman Anti-Trust Law, and the first of two articles by Secretary Mellon on the three phases of American banking.

Another interesting contributor next month is E. E. Slosson, who was born in Kansas and came to Washington by a somewhat round-about route through Montana and New York. Mr. Slosson is a chemist by trade, and a writer by avocation. Like Mr. Ihlder, he looks ahead, but instead of trying to vision what the city of tomorrow will be, he tries to picture the farm of a generation from now. It is the dream of a very practical man. Another chemist-author-contributor is Charles H. Herty, who takes "The New Competition" a long step ahead when he describes the conflict that is coming between cotton and lumber.



E. E. Slosson

★ NATION'S BUSINESS ★
 ★
 ★ A MAGAZINE FOR BUSINESS MEN ★

This Amazing Decade

WE ARE living in wonderful times. The ten years since the war might well be called The Amazing Decade. Marvel upon marvel piled high. It is no figure of speech to say we have been transported to a new world. The tale of Aladdin no longer excites. Aladdin with his lamp could have done no better than has been done by man without supernatural power.

Consider an item in the morning papers. Political parties in a wrangle over the audience for an acceptance speech. But where, four, eight or twelve years ago, the first thought of political managers was to tie up public halls now the first move is to get the best time "on the air."

The man whose reading goes no further than the paper's first page must be touched by the epic quality of the age. Fleets of airplanes lugging mail, express and freight by night and day; casual talk of airports as of railway stations; a telephone conversation with London, Stockholm, Berlin; radio creating its own "trade in" problems; television bringing shudders to the speaking stage.

"Yeah," says the man on the street, "television. How much will a home set cost?" Typical acknowledgment of today's expected miracles.

Of this Magic Age, business is the chief wizard. Dyes that outdo the colors of nature. Clapboards from corn-stalks. Ice from gas. Plant food plucked from

the air. Artificial rubber. Alcohol, paints, paper, stockings from wood.

Conquest of the physical world alone is sufficient to justify this title of Amazing Decade. But it does not have to rest there. Spiritual values, less tangible in their manifestations, but no less real, belong in the forefront of the picture.

Great cooperative efforts, yet with individualism preserved. An open and unashamed committal to ethical concepts of business practice. Wide diffusion of corporate ownership among workers and consumers. Growing regard for arbitration and conciliation in industrial relations.

And if the past decade amazes what is there to say of the coming ten years? It needs no prophet to forecast the wonders of life and living in 1938. The period just ended has leaped forward by arithmetical progression: 2, 4, 6, 8, 10. The high gear of our industrial machine will bring changes in the next decade by geometrical progression: 2, 4, 8, 16, 32. It is glorious to contemplate.

William Wordsworth, gazing into the early years of the Renaissance, exclaimed in ecstasy:

"Bliss was it in that dawn to be alive,
 But to be young was very Heaven!"

The American business man might well join the refrain.

Merce Thorne



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Company
Fairchild Aviation Corp.
Dungan-Smith Airways, Inc.
Ohio National Guard
Gray Goose Air Lines, Inc.
Spartan Aircraft Co., Inc.
Logan Aviation Co.

NOW that every city and town is an actual or potential airport, and many new passenger lines as well as mail routes are being projected, the rush to provide ground facilities has become almost a scramble.

At such a time, it is only natural that much may be done which is ill-advised and wasteful. The prudent executive will avoid this by seeking counsel of proved experience in designing and building for aviation.

For more than a decade Austin Engineers have served the aviation industry in a notable way, as evidenced by the list of clients served.

The scope of Austin service to aviation is outlined in a new booklet, the first of its kind ever published, entitled "Airports and Aviation Buildings." If you are an air-minded executive interested in the design and construction of airports or the buildings thereon, directly or indirectly, a copy of this booklet will be sent to you without obligation.

Whatever type or size of building project you may be contemplating—aviation, industrial, or commercial—Austin will be glad to furnish approximate costs and other valuable information, promptly.

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NATION'S BUSINESS



Published at Washington by the Chamber of Commerce of the United States

MERLE THORPE, Editor

As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

A Call for Business Votes



—need for their settlement the most intelligent and unselfish help that the business men of this country can give.

That American business has an opportunity and a duty to work with American agriculture has been recognized by the United States Chamber of Commerce over and over again.

If the nine regional agriculture conferences held in 1925 and 1926 under the Chamber's auspices had done nothing else, they would have been worth while because they brought out more clearly the intimate interdependence of business and agriculture.

Now the Chamber is taking another forward step. Just about the time this magazine reaches its readers there will go to the more than 1,500 member organizations of the National Chamber a referendum on agriculture.

This referendum goes out with no endorsement of the directors of the National Chamber. It represents only the considered opinion of a committee of the Chamber. Member organizations are not urged to vote for these principles. They are urged to submit them to their members' consideration for discussion and for a vote either in approval or disapproval.

Each reader of this magazine who is a member of a local chamber of commerce or a trade association ought to make it his business to see the referendum and to ask the officers of his organization how it is proposed to vote on it.

Who's Who on The Committee



the referendum on agriculture:

DWIGHT B. HEARD, stockman and farmer, Arizona.

ALFRED H. STONE, cotton planter, Mississippi.

JOHN BRANDT, farmer and President, Land O' Lakes Creameries, Minnesota.

THE problems of agriculture in the United States—problems whose discussion in newspapers is measured by thousands of columns and in speeches by millions of words

WILLIAM BUTTERWORTH, manufacturer of farm implements, Illinois.

WILLIAM J. DEAN, merchant, Minnesota.

JAMES R. HOWARD, farmer and former President, Farm Bureau Federation, Iowa.

FRANK D. JACKSON, grain merchant, Florida.

CHARLES W. LONSDALE, grain merchant, Missouri.

JOHN W. O'LEARY, banker, Illinois.

Farmers, dealers in grain, manufacturers, bankers, a wide distribution by occupation; Florida, Iowa, Minnesota, Arizona, a wide distribution geographically. In short, the committee was representative. It brought to the question a variety of views and opinions. Its proposals are worth consideration, and after consideration are worth voting on, either in approval or disapproval.

No referendum of the Chamber is worth voting on without consideration. That is a primary article in the Chamber's creed.

The Fine Art of Selling




WILLIAM E. HARMON, real estate developer and philanthropist who died the other day, had an interesting philosophy of business.

"The surest way," said he in discussing success in selling, "is to hit upon something that everybody wants, make it possible for everybody to buy it and then let everybody know that you have it for sale."

He decided upon land as the thing that met all three requisites and before he retired he had developed suburban properties and sold on partial payments in forty American cities.

But what about the something that not everybody wants or that not everybody knows he wants? Everybody wants land, Mr. Harmon thought, but millions of people are living contentedly in hotels, apartments and rented houses. No, the flaw in Mr. Harmon's philosophy is in the first requisite, "something that everybody wants"; it should read "something that everybody can be made to want." Few people wanted wrist watches and fountain pens and Persian rugs and five-foot shelves of books until they had been taught to want them. The best salesman in the everyday talk of business is he who "can sell ice to Esquimaux" and the worst the salesman who "couldn't give away ice in Hell"; but between them is that fine type of salesman—and in salesman we include advertising agents—who can awake a rational de-


sire, who can widen a buyer's horizon, who can, in short, sell him something he really needed and wanted but did not know that he needed or wanted.

'Twas the Same In Those Days  MORE than 250 years ago the wise and worldly Samuel Pepys, himself a government employe, being Clerk of the Acts and Secretary to the Admiralty, went to see one of the ships of His Majesty King Charles II docked. That was on July 21, 1662, and in his diary he wrote:

Thence to the dock, where we walked in Mr. Sheldon's garden, eating more fruit, and drinking, and eating figs, which were very good, and talking while the Royal James was bringing towards the dock, and then we went out and saw the manner and trouble of docking such a ship, which yet they could not do, but only brought her head into the dock, and so shored her up till next tide.

But, good God! what a deal of company was there from both yards to help to do it, when half the company would have done it as well. But I see it is impossible for the King to have things done as cheap as other men.

How little human nature changes! The argument that Mr. Pepys advanced against government in business is still as valid as it was in 1662.

What We Pay For Transport  SIR Alan G. Anderson, British steamship owner, pointed out the other day that we do not pay for travel in money alone, we pay also in time or in risk—convenience or in-

convenience. If risk be eliminated and time cut down, money paid for passage must be increased.

"If," Sir Alan went on, "our governments regulated the time and said all shipowners must carry passengers much more quickly the payment in coin would have to be put up enormously, with increase in risk. But those two they leave untouched and the governments, quite naturally with public opinion behind them, have attacked the one payment in risk, and they have said we must do all we possibly can to reduce the risk of transport, and so they propose these resolutions.

"We, who know something about the sea, can get what I believe is a true perspective of the risk. We know how very small it is; it cannot ever be done away with altogether."

Sentimentalists may rise to say that we must have safety at whatever cost and that no price is too great to pay, but experience proves that there is a point at which the price even for safety becomes too high.

High Price Of Inches



THE sale not long ago of the corner of Broadway and Wall Street as part of the site of the American Exchange-Irving Trust Company's new home set the curious to figuring. If as reputed the price was \$720 a square foot, then that meant \$5 a square inch. The really curious went on to figure what that would mean an acre. By that time the results began to look like light years and distance to Betelgeuse.

And moreover if one is buying by area why not buy something where square inches really count. Not rugs, for the record price of recent years for a rug was only \$112,500, paid for a Persian carpet made 300 years ago for an Austrian emperor.

But the rug was 10½ feet by 25 and the price meant only a bit under \$425 a square foot. High but not as high as corners on Broadway?

No, for real value by surface measurement, paintings are the thing. A Raphael Madonna painted in 1508 was just sold to Joseph Duveen for \$875,000 and it was but 30½ inches by 22, nearly \$1,305 a square inch.

And whether it be historic rugs, Wall Street corners or Raphael Madonnas there's always a buyer.

Taxes First



answers of 3,472 business readers:

Cutting down taxes.....	1,244
Cutting down production costs.....	238
Cutting down selling costs.....	256
Meeting competition from other lines of business	482
Building of sales.....	652
Securing a better margin of profit on present sales	600

More than a third of those who responded declared that the tax burden was the thing uppermost in their minds. Conscious of that interest on the part of business men, the National Chamber has already embarked on a study of state and local taxation and some of the results of that study will be embodied in articles which NATION'S BUSINESS is planning for publication this fall and winter.

In these days of keen competition, when "the high cost of selling" is as live a topic as the "high cost of living" once was, it is not surprising that so many men are concerned with building up sales and getting a better margin of profit on present sales.

The world would be an economic heaven for many men if only they knew how to sell more goods at a higher margin of profit.

Exporting the Human Word



AS ONE evidence of our national progress, the talking movie speaks for itself. Still pretty much of a novelty even with us, it is regarded in one British viewpoint as a necessary stimulant to the American film industry. The threatened vocalization of films is a serious matter to "Kappa," who writes in the London *Nation & Athenaeum* that

already this unoffending country has been soaked for many years in second hand impressions of U. S. A. civilization, for the most part wildly foreign to our native ideas and ways of life. The prospect of having to listen to the American language blared out in a thousand picture palaces is truly appalling. Almost it persuades me to be a protectionist.

But if the captious Britisher is disturbed by the invasion of the American voice and the American accent, what is the state of mind of the moving picture promoter whose export business is an important and a growing factor.

To change the captions on "More Sinned Against than Usual," to Chinese, Roumanians, Syriac, Coptic, Goud and Balolo may be possible even practicable, but if the talking movie takes hold, think of the task of finding actors to speak in these and two score more of tongues and dialects.

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A Problem In Ethics



adequate dividends. The community does not feel that it is victimized by the rates for gas or electricity and the workers, white-collared and overalled, are adequately paid.

A merger of the two companies is decided upon and it is found that there will be a saving of \$1,000,000 a year.

Query: Who is entitled to the million?

The Stockholders say in effect:

"We are. We own the company. Whatever it makes or saves belongs to us. We risked our money in the beginning and should have the reward now. Raise the dividends!"

The Management says:

"We should have it in increased salaries. It was our intelligence and foresight which brought together these companies. We worked out the details by which we made the savings possible. Raise our salaries."

The Workers say:

"We should have the million. Ours is the labor that really makes them possible. Raise wages!"

The users of gas and electricity say:

"Give it to us. The companies exist by our sufferance. They are public utilities, licensed, and all they make above the fair return they now enjoy should come to us."

What is the answer?

Vote or Don't Kick



Business wants—or says it wants—more business in government and less government in business. Business can have what it wants but cannot have it by just wanting. It can't even get what it wants by adopting a resolution, by appointing a committee or by going into conference.

Business can have the kind of government it desires whenever that desire grows strong enough to make business take its politics seriously.

Just so long as business keeps on justifying the description of it as "a boob in politics" just so long it will continue to get the kind of government the other fellow wants.

Half the men and women in this country who could vote don't vote and if the half that don't vote are ill pleased with our government who is to be blamed?

What Are Fair Freight Rates



WHEN the Interstate Commerce Commission a year ago reduced the rates on California grapes invoking the authority of the Hoch-Smith resolution to relieve the Coast grape industry which was "in serious financial straits," the question arose of how long could the New York and Pennsylvania growers stand the reduced rates from the Coast.

Now on the allegations that existing rates are "unduly preferential to shippers of fresh grapes from California" and again invoking the Hoch-Smith resolution, the rates on grapes from the Eastern States have been reduced.

What a merry-go-round! Reduces the rates because of a depression in one district, because of depression the purpose being that "the markets must be brought nearer

by rate reductions," and lo! another district suffers and needs help. How long now before the outraged California grape cries out for more help? And so on until the poor railroads must pay for the privilege of carrying grapes. The shippers and the transportation agencies of the country may well ponder this language from the United States Court for the Southern District of West Virginia:

So far as the general language of the resolution is concerned, to the effect that the conditions which prevail in industry should be considered in adjusting freight rates to the end that commodities may freely move, this is no more than a general declaration that freight rates shall be adjusted in such way as to provide the country with an adequate system of transportation, and Congress certainly did not intend by this language to create in the Commission an economic dictatorship over the various sections of the country with power to kill or make alive. If the Commission has the right in a rate adjustment to consider the shift in traffic to a community already paying a higher rate and act upon it as one of the factors in still further widening the rate differential, its power to control the economic development of the country is practically unlimited.

Who Buys, Who Sells?



NO DOUBT, the Walrus knew a good bit about foreign trade, else he could not have made such glib mention of shoes, of ships, of sealingwax, of cabbages and kings. And certainly no modern Alice would lack for invitation "to talk of many things" were she to wander through the fascinating Wonderland of our own commerce. Such sights, such smells, such names as abound in great sea ports! One day's imports at New York are enough to make a landsman's holiday.

Saddlery from Southampton. Ox bladders from Sydney. Rubber, jelotong, white pepper, rattans, mace, and nutmegs from Singapore. Citronella from Batavia. Gum damar from Macassar. Snake skins from Sourabaya. Sugar from the Philippines. Coffee from Aden. Quince seed, amosite, and kaolin from Capetown. Ostrich skins from Algoa Bay. Euphorbia leaves and wattle bark from Africa's East London.

Crude asbestos from Beira. Canary seed and corned beef from Buenos Aires. Sulphite woodpulp from Hel-singfors. Platinum dust and alligator skins from Colombia. Gypsum from Nova Scotia. Bristles and Paraffin wax from Danzig. Balata from Trinidad. Tale and cherries from Genoa. Marble chips, argols, orris root, anchovies, and cornsilk from Leghorn. Artificial flowers from Marseilles. Apricot pulp from Valencia. Paprika from Alicante, Juniper tar from Malaga.

Cases, casks, barrels and boxes, and in every one a lesson in economic geography.

Tomato: Fruit Or Vegetable



WAY down in Australia it seems there has been a tariff argument as to whether the tomato is a fruit or a vegetable. It seems that when the immigrant tomato comes in as pulp, it is vegetable, but when it enters dry and concentrated it is a fruit.

Ourselves, we had always rated the tomato as a vegetable, but eager always to learn we turned to Funk and Wagnall's New Standard Dictionary of the English language, confident that somewhere in its 3,000 pages we should learn the truth. Of the tomato it says:

"The fruit . . . is a berry . . . highly esteemed as a vegetable." That ought to satisfy everybody.

HERBERT HOOVER'S

Business Philosophy

IN PRESENTING the business views of the two candidates, NATION'S BUSINESS has no wish to take part in politics except as it believes that business has a fundamental duty to share in Government, and that business cannot share in Government intelligently without an understanding of the two candidates and of their economic views. In getting these views, this magazine turned to two men whom it believed best qualified to understand and set forth the candidates' views.

Edwin C. Hill has long been a member of the staff of the New York Sun, has known Governor Smith and has had many talks with him. He attended both Conventions, and on his return to New York we asked him to put before Governor Smith certain questions. On the facing page are his answers.

James L. Wright is the Washington correspondent for the Buffalo News. In that capacity he has seen much of Mr. Hoover as Secretary of Commerce. He, too, was at both Conventions and after his return went with the Hoover party to Palo Alto, California, for the address of acceptance. His article is the result of meetings with the Republican candidate.

—THE EDITOR.

By James L. Wright

After talks with the Republican presidential nominee

A MERICAN individualism today is the challenge to socialism. The individual achievements of our people are the sum of progress—and it is the only sure road to progress. If we change our policies, there will be an immediate halt."

In this graphic way Herbert Hoover, the Republican nominee for President, sums up the Nation's progress, grandtotals it, strikes a trial balance and takes stock of the country's resources all at once.

During Mr. Hoover's seven years as head of the Department of Commerce, where he has handled everything from the sea-herd of the Pribiloff Islands to the standardization of bricks; from the



breaking up of foreign monopolies to the creation of a modern kitchen for the housewife, this many-sided man in his speeches and talks in various parts of the United States has revealed the different threads of his business philosophy which are here knitted into the broad fabric.

The questions dealt with run the whole gamut from the relations of government to business, to the relations of business to government; to reclamation of gi-

gantic areas of land for food production of the future; to the number of electric lights, radios and telephones in the home as compared with eight years ago.

"The dangers of America," said Mr. Hoover, "are not economic or from foreign foes; they are moral and spiritual. Social, moral and spiritual values outrank economic values. Economic gains, even scientific gains, are worse than use-

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Business and Government

By ALFRED E. SMITH



An Interview
by Edwin C. Hill

that government should take toward business."

"I will talk to you with pleasure," said Governor Smith, "and as frankly and specifically as I know how to do. I know no better way to cover the ground you suggest than to review some of the principal achievements and aspirations of my nearly eight years as business manager of the greatest corporation in the country outside of the United States Government. The Governor of the State of New York is, essentially, a business manager. He must apply the best possible business technique to the administration of the State's business. He must deal with the State's business with the same regard for the best business technique that the ablest corporation executives bring to the administration of the property of their stockholders.

"He is, of course, something more than a business manager, for the state is a living force. Government must be more than a machine for the performance of routine, no matter how effectively that routine is performed. It must have the ability to clothe itself with human understanding of the daily, living needs of those whom it is created to serve. Primarily, as an executive of government, my interest will always be in effecting that combination of the improved functions of government which will never lose sight of the inner meaning of democratic government. Government must be able to safeguard the health, living, working and business conditions of all the people, and to care adequately for the unfortunates who cannot care for themselves. But once the great underlying moral purpose of government is grasped and made ready for functioning, then government must become a tremendous business, operating smoothly, openly and responsibly, to produce at minimum cost, and with reasonable dispatch, the things and results the people have voted for and are paying for.

"In approaching the general subject
(Continued on page 17)

IMEDIATELY after the action of the Houston convention made almost every possible expression on the part of the Governor of the State of New York a matter of new and national interest, I transmitted to the Democratic nominee a pertinent request on the part of the editor of NATION'S BUSINESS.

"It is probable, Governor Smith, that the entire country, including its business

men, are thoroughly aware of your convictions on one or two much-discussed subjects of legislation," I told him, "and it is also probable that they are not at all conversant with your general philosophy toward business or with your attitude toward specific questions. This magazine of business men throughout the United States would very much appreciate a frank revelation of your ideas on these subjects—the whole field of the attitude

Herbert Hoover's *Business Philosophy* (Continued from page 14)

less if they accrue to a people unfitted by trained character to use, and not abuse them. And today by the lax respect for law, by the increasing crime, by failure in our exercise of citizenship, we have much that may well concern us on the moral side.

"We need disinterested public service, moral and spiritual leadership in America, rather than the notion of a country madly devoted to the invention of machines, to the production of goods and the acquisition of material wealth. Ma-

chines, goods and wealth, when their benefits are economically distributed, raise our standard of living. But it requires the higher concept to elevate our standard of life.

"From all these inventions and machines we have gained many things, and among them we have in a single decade reduced the daily hours of labor by an average of one and one-half hours for the whole nation. This gain in leisure must be turned into an asset for the individual and for the nation."

But let's not wander too far afield, or take only a panoramic view of world conditions. Let's get back to the subject of American individualism, which Mr. Hoover views as the keystone in the arch of prosperity in the United States. Without an intelligent population, without a people who can recognize the value of leadership and follow it, Mr. Hoover is convinced this country never could have been made to tower above the rest of the world as it does today.

"Some faint odors of socialism are still about our country," Mr. Hoover said in a speech he delivered at Springfield, Ohio. "Some groups would have the Federal Government undertake the operations of public utilities; some groups would have these operations undertaken by individual states. The Republican party holds to the protection of public interest by regulation of private enterprise in public utilities—it does not believe in the deadening hand of operation by government bureaucracy.

"The Republican party has challenged

socialism with a new twentieth-century American individualism, and we are ready to compare our eight years experience in recovery and prosperity with

every country which has been infected with these policies. The re-establishment of these fundamental principles of government in its relation to industry and business has been one of the essential reconstruction policies of the Republican party. From it has grown a wealth of confidence in the future which has blossomed into a great era of initiative among our people."

Of himself, Mr. Hoover says: "Years of contending with economic degeneration

during the war, with social disintegration, with incessant political dislocation, with all of its seething, and ferment of individual and class conflict, could but impress me with the primary motivation of social forces, and the necessity for broader thought upon their great issues to humanity. And from it all I emerge an individualist—an unashamed individualist. But let me say also that I am an American individualist. For America has been steadily developing the ideals that constitute progressive individualism.

"WE have laid much stress on the elimination of waste and the cost of distribution, but the Government itself has yet to put its own house in order when it comes to the reduction of waste in government through a reorganization of executive departments."

"No doubt, individualism run riot with no tempering principle would provide a long category of inequalities, of tyrannies, dominations, and injustices. America, however, has tempered the whole conception of individualism by the injunction of a definite principle, and from this

principle it follows that attempts at domination, whether in government or in the processes of industry and commerce, are under an incessant curb. If

we would have the values of individualism, their stimulation to initiative, to the development of hand and intellect, to the high development of thought and spirituality, they must be tempered with that firm and fixed ideal of American individualism—an equality of opportunity. If we would have these values, we must soften its hardness, and stimulate progress through that sense of service that lies in our people.

"Therefore, it is not the individualism of other countries, for which I would speak, but the individualism of America. Our individualism differs from all others, because it embraces these great ideals: That while we build our society upon the attainment of the individual, we shall safeguard to every individual an equality of opportunity to take that position in the community to which his intelligence, character, ability and ambition entitle him; that we keep the social solution free from frozen strata of classes; that we shall stimulate effort of each individual to achievement; that through an enlarging sense of responsibility and understanding we shall assist him to this attainment; while he in turn must stand up to the emery wheel of competition."

Mr. Hoover views equal opportunities for education as the first stone in the foundation of equal opportunities in life, but he of course conceded that equal opportunities will not mean equal ac-

complishments. "We in America," said he at one time, "have had too much experience of life to fool ourselves into pretending that all men are equal in ability, in character, in intelligence, in ambition. We have grown to understand that all we can hope to assure the individual through Government is liberty, justice, intellectual welfare, equality of opportunity and stimulation to service."

Leadership in America is one of the main causes of our national supremacy, as Mr. Hoover views it. He says: "One of the greatest problems of democracy—and civilization for that matter—is to provide sustained leadership in all avenues of life. If it can maintain virile, capable leadership, true to the high moral standards and devoted to the ideals of democracy, there will not be degeneration within our Nation. There will be continuous economic, social and moral progress. It is true that leadership founded upon birth or upon class has always decayed through degeneration. Certainly

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Business and Government by Alfred E. Smith

(Continued from
page 15)

which NATION'S BUSINESS has referred to me for discussion, it comes naturally to my mind, first of all, to speak of the executive budget.

"Probably the principal means of obtaining speedily and economically what the people vote for and pay taxes for is through this sane and scientific method of fixing and apportioning costs and expenditures.

"For many years, in the Legislature and in the Governor's chair, I urged the adoption of a system of applying the principles of good business to the financial transactions of the State. I am very happy to record that the executive budget will go into operation this fall in New York by constitutional amendment. It will put the Governor in the position of being able to certify the State's needs in the order of their importance.

"It will function throughout the year, as against the old time, discredited methods whereby all department heads brought in their estimates and had them disposed of in the comparatively short period of a few months while the Legislature was in session. It will be a short, plain, simple, business-like way of conducting the State's fiscal affairs, as against the haphazard, go-as-you-please, log-rolling scheme of an age well dead. I am satisfied after years of personal experience that the adoption of the executive budget is a very distinct step toward the betterment of our government structure."

"What do you hold as your second most important accomplishment toward putting correct business methods into government?"

"The reorganization of the state government," said Governor Smith. "I strongly advocated it for many years and had the satisfaction of seeing it achieved and reaping good fruit two years ago. By that reorganization 187 departments and agencies, with wasteful, overlapping and confusing functions, were consolidated into eighteen departments whose heads are responsible to the Governor who in turn is responsible to the people. Until that business reform was brought about we conducted the state's business as it was conducted fifty years ago, at a time when the budget was only a few million dollars, and when the duties of the Governor were so light that he could spend the greater part of the year away from Albany.

"Like the executive budget," the Governor continued, "the consolidation and reorganization of the multiplicity of separate and independent state agencies was

an absolute necessity in meeting the trend of modern business. The trend of modern business is to centralize and to fix responsibility upon department heads. More and more, emphasis is laid upon centralized and responsible management as the principal factor of business success. The trend of modern business is to cut down overhead expense. It is as important in the affairs of the great business corporation of the State of New York as it is in the affairs of

the United States Steel Corporation.

"Formerly the tendency of our state government was to spread responsibility through so many channels that it could not be readily traced or fixed either in the executive or in the department heads themselves. During my terms in office, previous to the reorganization of government, I steadily advocated fundamental changes to bring the government into line with what it ought to be, a well conducted, thoroughly organized, responsible, efficient business administration.

"I maintained that the business organization of government should be made so simple as to be readily understandable to the man on the street. I pointed out that the then existing method was so costly and wasteful that it would not be tolerated for a moment in any well organized business concern. I called attention to the fact that the business of government was a blind mystery to the great mass of people, and that it was a very difficult thing for even the Governor himself to get a proper understanding of it.

"I yet remember my own amazement in an early term as Governor when I picked up a newspaper one day and read that the State of New York had bought \$560,000 worth of property in the Adirondacks, purchased through the Land Board. Nobody around the Capitol—certainly nobody around the executive chamber—knew anything about it. I doubt very

much if many people in the whole state knew there was such an agency as the Land Board.

"All that is changed. There can be no relapse into the chaotic conditions of the old system. The creation of new departments is prohibited. All future activities must be fitted into the now existing structure. Its processes are easily understood. All activities of a like nature are brought under one head. It is conceded that this reorganization

is the most progressive and thorough reform in the structure of state government achieved by any state in the union."

Governor Smith paused for a few moments, then suggested that business men, seeking an insight into his business mind, might be interested in his application to the special and peculiar needs of the State of New York of the principle of paying for capital improvements out of bonds. The Governor regards his achievement as a third long step toward business reform in government. In New York it had always been the policy of the state to borrow money. It borrowed \$122,000,000 for the enlargement and improvement of the Erie Canal. It borrowed \$100,000,000 for a system of improved state roads. It borrowed \$40,000,000 to pay a bonus to its soldiers.

Governor Smith took the position that no reorganization of the financial structure would be complete without the adoption of better business principles where capital expenditures were concerned. He had noted for years that while the state was borrowing money for roads, canals and other capital improvements, it was, at the same time, appropriating largesums

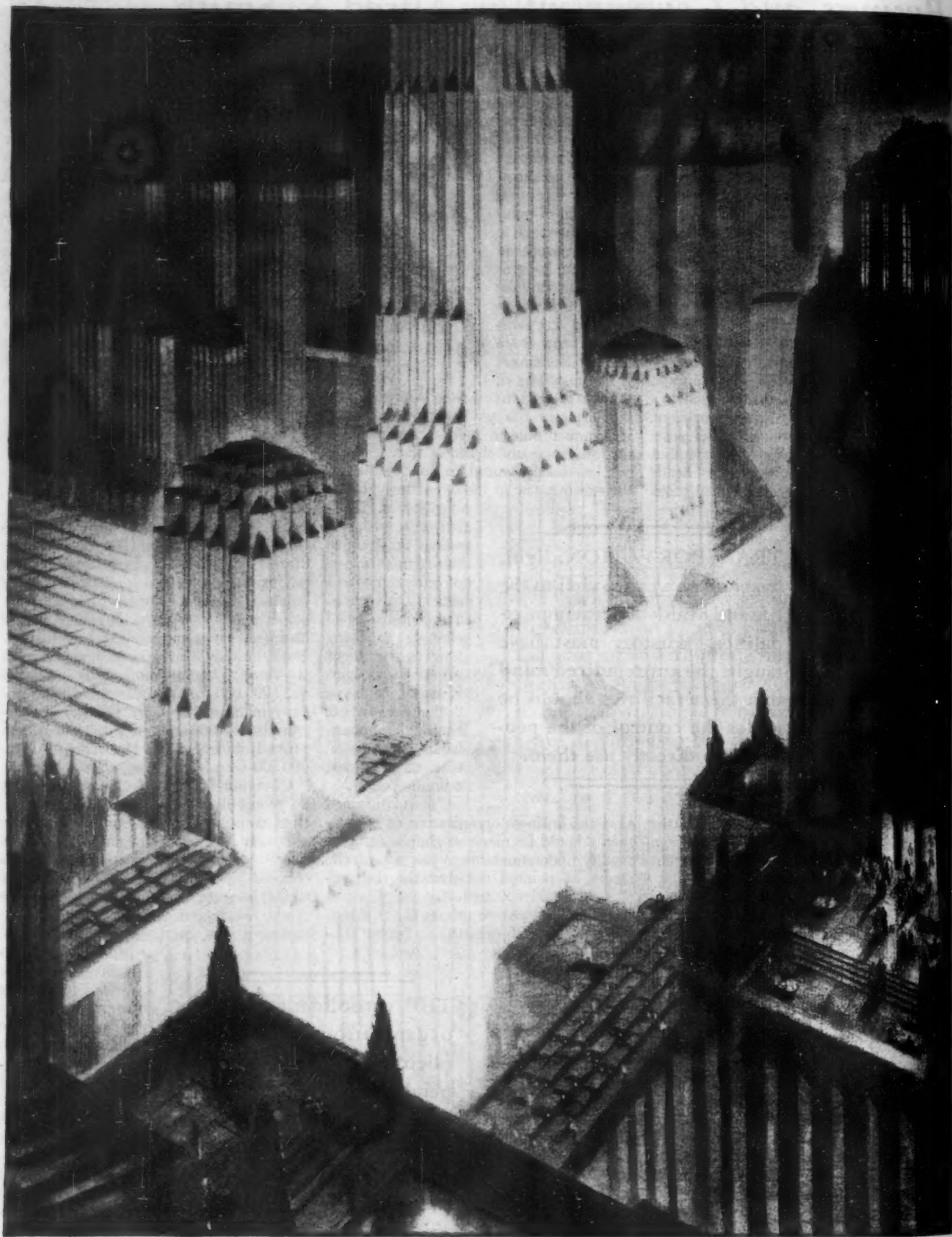
from the public funds for other permanent improvements. He saw also that these improvements lagged behind and were so delayed and retarded that state institutions became overcrowded and fell into a lamentable and dangerous condition. A single necessary public work was in process of construction for more than ten years at a time. To his mind, the "pay-as-you-go" policy was entirely fallacious, and had become merely a useful political slogan. He took the stand that the state government was merely fooling itself and

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"GOVERNMENT must be more than a machine for the performance of routine, no matter how effectively that routine is performed."

"TRANSPORTATION, light, heat and power are vital to the life and health of great municipalities. History must have taught the unprejudiced mind that these facilities should be under the control of the people who directly use them."

"THE consolidation and reorganization of the multiplicity of separate and independent state agencies was an absolute necessity in meeting the trend of modern business."



A City of the Future

By Hugh Ferriss

THE CITY OF TOMORROW will still grow up some hundreds of feet, if it follows this imaginative conception of Hugh Ferriss. Mr. Ferriss, a noted architect, who also contributes the cover illustration to this month's *Nation's Business*, has long made a specialty of visualizations. This is one of his prophetic pictures which optimistically forecasts still greater urban achievement

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The City of Tomorrow

By JOHN IHLDER

Consultant on Housing and Problems in City Building

Architectural Visualizations by Hugh Ferriss

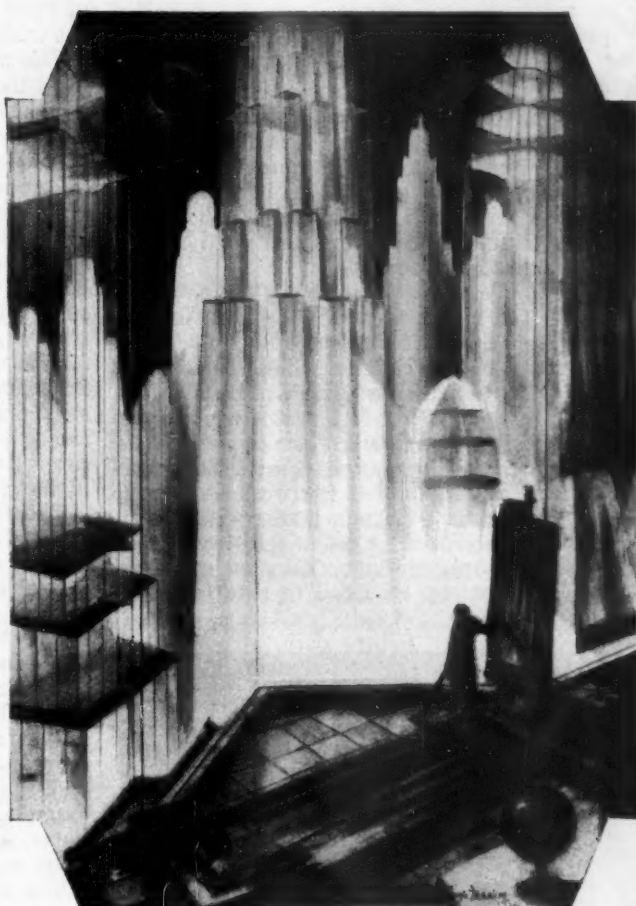
IT IS no mere happening that we think of man beginning his pilgrimage in a Garden of Eden and ending it in a Heavenly City. Each stage of his progress has been symbolized by cities. The advance of civilization is measured by cities.

Merely calling the roll of the cities is like reciting a series of victories which quickens our blood: Thebes and Babylon and Jerusalem, Athens and Rome and Carthage, Vienna and Paris and London. Each age that has been great has produced great cities, cities that were great not so much because of their size—Athens never was very large—but because of their beauty, their glory, their glamor, that caught and held the imagination. In its cities each age has found its highest expression.

New Day Dawning

SO IN this new age of ours we are beginning to express our best in our cities. Because our age has just passed its dawn there are long shadows. There is ugliness; there are dilapidated, unsanitary tenements and shacks; there are overcrowding, traffic congestion, inadequate streets whose varying widths and frequent jogs are relics of the selfish and short-sighted land sub-divider.

There are those among us with eyes fixed on the long shadows, with memories of the mid-day of former ages, who fail to remember that shadows lessen as the sun rises, who fail to note the increasing light, the increasing energy of the new day which is finding expression in a higher standard of living, in new desires and aspirations. While they voice their discontent, our newer public buildings, our banks, even our skyscrapers, since zoning compelled tower construction in the interest of light and air and relief of traffic congestion, are becoming things of beauty. A few are even ranked among



"IN THIS new age of ours we are beginning to express our best in our cities. These skyscrapers of ours have given us, not a new thing, but a new version of an old thing which will receive careful consideration in the cities of tomorrow"

the triumphs of architecture of all time.

The worst of our tenements and shacks are being demolished. The problem of the low-cost house for families of small means is being attacked in city after city. The inadequacy of our streets and their poor design are being remedied by city planning and by zoning regulations which will establish a ratio between street traffic capacity and the location, bulk and use of buildings.

This new age is the age of business, and our cities are both the workshops and the products of business. As a matter of mere self respect business will give its

workshop dignity and order, its product beauty. Utility is the basis of business, but utility has nothing in common with disorder and waste. When a thing serves its utilitarian purpose perfectly, it is nearly sure to have beauty, whether it is an automobile or a bridge whose cobweb strands carry the required load with no waste of material.

Utilitarian Beauty

SO IN our city building, business has begun to realize that disorder and waste are handicaps, and in removing the handicaps it is creating beauty. This is a far remove from the sentimentalism that marked our first revulsion against the ugliness of our cities, but it is leading us to do what sentimentalism lacks the driving force to do.

Underlying this new spirit in city building is a growing realization that life and movement, which create new values, are more powerful than vested interests which represent old values, and that the city is a unit of greater worth than the mere sum total of its buildings and sub-divisions, as a regiment is more effective than a mob. It is these two conceptions that are shaping our cities of tomorrow.

Realization of the power of life and movement first filled us with panic. It threatened to destroy every relic of the past, to make of us a people living in a constant succession of upheavals and demolitions. Nothing was sacred. Nothing would stay.

Then we rationalized and began to glory in our rapid changes. A building was not expected to stand more than thirty, twenty, fifteen years. Our pride was in speed rather than workmanship. We delighted in stories of the man who "wouldn't know the old town now." Every day spent on construction meant an appreciable shortening of a building's brief life time. It

might be antiquated even before it was finished.

Of course tearing down good buildings because they are not "modern" means huge losses. But these losses were gaily compensated for by increasing land values, piling the new buildings higher, squeezing more rooms out of the same floor space. It is an exhilarating game but not sound economics. The important thing continues to be life and movement, which includes doing business; and the higher costs of doing business on land which bears the burden of a demolished building has become recognized as a handicap even when justified by poor quality of demolished buildings or by change in the character of a neighborhood.

Common sense classifies this as waste if it can be prevented. The problem then is to find means of preventing. And the means are found, the means the Steel Corporation used long ago when it built its plant at Gary and now regrets having failed to apply to the town—careful planning for the development of the community as a unit.

Planning in Terms of Regions

MEANWHILE our idea of the community has grown. The term city planning scarcely had time to become familiar to American ears when it became inadequate, for we were already thinking of planning metropolitan regions. The misfit subdivisions of the past were less of a nuisance than are the misfit towns whose street systems proclaim their independence. Not only New York, Philadelphia, Chicago and Boston, but all other thriving cities in the country have spilled across their corporate boundaries and made suburban communities from five to twenty-five miles away an integral part of themselves.

Facts, not theories, are forcing us to devise new governmental units which will provide metropolitan systems of highways, water supply, sewage disposal, parks and playgrounds. The real city of tomorrow will not be a compactly built mass of brick and mortar, but a group of communities connected by arterial highways bordered perhaps by a thin strip of buildings like old London Bridge, but, except for these strips, separated by wide open spaces; public parks and woods, truck gardens, orchards, golf links—perhaps publicly owned and leased to private users, perhaps privately owned but restricted against

building. What the methods may be we don't yet know, whether the German one of saying to an owner, "Your farm is your farm, but it shall never become your building lots," or the English one of saying, "Your land must remain unbuilt upon. If you think this will prevent a profit fifteen or twenty years from now, go to the courts at once and collect the present value of your future loss," or some other method of our own devising. But it is certain that Westchester County will never be built up like Manhattan Island, that all its golf links, which now cover an area greater than that of its public parks, will yield speculators' profits.

Our trouble in the past has been that our vision has been too small. We thought in terms of building lots and sub-divisions when we should have thought in terms of cities, we thought in terms of cities when we should have thought in terms of regions. But we are improving, though we still have hang-overs, illustrated best by the skyscraper.

We are now controlling the suburban land sub-divider in the public interest even when his property lies five miles outside the city's boundaries, compelling him to make his lots of at least a certain minimum size, to fit his streets to the master street plan of the community.

The skyscraper, however, is still so recent, its appeal to our weakness for the grandiose so blinding, that we have not fully realized the essential littleness of its land overcrowding. With our eyes fixed on the sky we failed to note what was

happening on the ground. But we are beginning to note. Some of the newer apartment houses are surrounded by generous open spaces, some even provide tennis courts and playgrounds for their occupants.

Zoning of All Classes

FOLLOWING this practice of the more progressive builders, comes zoning regulation which will make their practice the standard practice. In the business district there are proposals to limit the areas which may be occupied by buildings of great bulk so that streets may carry the traffic they originate.

This supplements the zoning requirement that as tall buildings rise in height they must step back—a requirement that not only reduces their floor area, and consequently their population, not only safeguards the light and air of neighboring properties, but produces the towers that are becoming a characteristic of American cities. Again the practice of the best builders is leading the way to a higher standard for all. One of the latest skyscrapers, erected on one of the most valuable sites on Manhattan, rises only four stories on the lot line and then begins to step back, thus providing better light and air for its fifth and higher floor offices and protecting them from the noise and dust of the street.

These business skyscrapers of ours have given us, not a new thing, but a new version of an old thing which will receive careful consideration in the cities of tomorrow, the much advertised skyline. What the cathedral towers were to the old cities of the old world, the business towers have become to modern American cities. But the cathedral towers rose in solitary majesty, and the business towers are crowding each other in such disorderly fashion that the skyline of New York, for example, of which there were such high hopes, has been likened to a baggage room on the morning after Labor Day.

The skyline of Chicago, from one or two points on the outer Lake Drive still gives the thrill of a Maxfield Parrish painting, but there is question whether it will not follow New York's precedent. Our real hope is that we shall act in time to save cities like Columbus, whose single majestic tower should not be blanketed by some huge rectangle but should become part of an effective composition.

Our first reaction to the skyscraper, like our first reaction to any new thing which disturbs accustomed habit, was to suppress. Lacking imagination, we dealt with the skyscraper as it then was and tried to limit its height. As usual suppression failed, but out of the attempt came the tower building and a clearer understanding of the factors in the problem. So now our effort is not to suppress but to regulate in the public interest, which, incidentally, is in the interest of private owners as a whole.

In this skyscraper construction, as in all other departures from accustomed practice, we are stimulated by immediate advantages due to present environment

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"Our public buildings, banks, even our skyscrapers since zoning compelled tower construction in the interest of light, air and relief of traffic congestion, are becoming things of beauty"

Is Business Business?

By JAMES H. COLLINS

Illustrations by Stuart Hay



"Remember when Squire Hardhart came to foreclose on the widow's little cottage?"

HAVE you ever faced the other fellow when he says, with fine candor, and all the personal good will in the world, "I'm sorry, but business is business, you know?"

You have reached the wrong side of a bad situation. Maybe you got there through your own short-sightedness, though generally one blames "conditions." It may be that the other fellow led you there.

You are up against it. There is no choice. The other fellow says, "What can I do? I am a business man."

Which is his sympathetic way of telling you that this is going to hurt you a good deal more than it will hurt him. It may also be his way of announcing that you are outwitted.

"Business is business—I am a business man!"

We hear this just now in the name of profitless prosperity, of relentless competition, of fickle public taste and other familiar factors in the present American business scene.

Followers of Shylock

TUT—old stuff! Remember the melodramas of the last generation, in which Squire Hardhart, the village skinflint, came to foreclose upon the Widow Gammon's little cottage—when he had got it, he would sell for millions to the railroad that was coming in unbeknown to everybody.

The Widow pleaded with him: "Think, James Hardhart! Have you forgotten the days when we were children together in the little red school house? Let those memories soften your relentless heart."

And the Squire was unmoved.

"Out upon your tears and your sentiment! Too long I have listened to your whinings. And now, I will have my money to the last penny—Business is business!"

More than three centuries ago the type was crystallized in Shylock. I invite your attention to three points in his story:

First, he blamed "conditions." Racial

oppression provided his alibi, but was not substantially different from the "business conditions" used in the same way today.

Second, Shylock was his own lawyer, though he needed a physician as well as a good attorney to draw up Antonio's bond. That is, he had poor information. And when a certain kind of fellow says, "Business is business," he often really means that he doesn't understand his own line.

Third, Shylock would not make a fair adjustment with the other fellow—and in these days the other fellow is frequently thrown overboard when a little skillful adjustment and counsel would save him.

If the pound of flesh is good business,

fellows in his old gang received him callously. No welcome, no memories. He was cut to the heart.

"Tom, you mustn't resent that in Jim," said another college pal. "He's in whole-sale trade, and those fellows have been having the devil's own time. Conditions have made him hard-boiled. He's rough with everybody. If he saves himself it'll be a miracle."

Act Two: The miracle did not occur. This merchant went bankrupt. As the end approached he struggled desperately, taking every lawful advantage of suppliers. "Business is business," he said.

Act Three: One of his competitors, a partnership concern, was struggling with the same conditions. These partners called in an outside counsellor, saying, "Find out what's the matter with our business."

Outside Information

THE outsider studied their affairs, and secured information. Seventy per cent of their trade was done with 20 per cent of their customers.

These were strong retail merchants who bought and sold enough to make them profit on closely shaved merchandise. But their profits were being eaten up by a horde of small retailers whose orders did not pay expenses on selling, credit, accounting, transportation.

They had two young salesmen who were especially capable at nursing small merchants into successful business. These salesmen formed a new concern and took over their 80 per cent of small customers. With their future before them, and working hard themselves, the salesmen can build a business on those customers, be-



"The mother cried in accents wild, 'Fireman, fireman, save my child!'"

then some of the ablest executives I know are certainly not business men. They have built up institutions, and created work and well-th for others, and made money for themselves. Yet they are not business-is-business business men.

Last year I saw a drama played in business life.

Act One: An Easterner, coming to California, eagerly looked up his college pals of other days. One of the most lovable

cause their overhead expenses will be moderate.

Conditions put the hard-boiled merchant out of business because he had insufficient information. Conditions became favorable for the other concern as soon as information showed them what was wrong. And information now being obtained about distribution, through a special Federal census, promises to help the young salesmen who started the new concern just about the time they should be rewarded for their work.

Distribution Figures Lacking

FOR many years, Uncle Sam has gathered figures about business, but entirely ignoring one branch. If statistics were wanted about how many potatoes were grown, or how many tons of coal mined, or the output of factories, or the size of foreign trade, or the hauling or financing of these activities—you could get the figures. But not a word about distribution, or goods after they have passed into trade.

How many blue denim overalls were sold in Chicago—and in what kind of stores? As Moss and Frye put it, "How many potatoes are in the restaurant?" Nobody knew. Uncle Sam didn't include that in the census. Business went along nicely without these figures, and never suspected that they meant anything.

But now a preliminary census has been made of trade in eleven representative cities, and it is found that nearly one-third of all the folks "keeping store" are selling less than fifty dollars' worth of goods weekly. That's bad for the store keepers, of course, but it is worse for the people who supply them, because salesmen visit these little stores, and credit is extended to them, and books are kept on their purchases. In every list of "retail outlets" they bob up, and are canvassed, and suppliers actually fight over the privilege of losing money by serving them. Yes, get hard-boiled about it!

That is the latest "dope." Here is the information upon which one concern stayed in business against "conditions," even though the data was not then available in the census figures. The information was obtainable through a census of its own business. And here is the information that put the other wholesaler out of business because he did not have it.

Business is business—and something deeper.

Poor Shylock lived in a day when there

were no consulting business advisors, such as are now found in the telephone book, capable of giving clarifying information for the solving of many a business difficulty.

However, if the suggestion be pardoned—Shylock might have called in Iago, who also lived in Venice.

"You want to cut a pound of flesh off this competitor?" echoes Iago. "You want to cut it off a shaving at a time, and make him squirm as much as possible? And it is to take the form of a straight business transaction—a bond?"

"Yes, yes, yes, yes!" says Shylock. "All in the way of business—I am a business man."

"The devil you are!" mutters Iago to himself, and then for a fee proceeds to show that there are ways of drawing a bond so that Antonio will bind himself to cut off a pound of his own flesh and lay it bit by bit on the scales; that there are more lingering and painful ways of "getting" a competitor; that the latter can even be compelled to destroy his happiness as well as himself if you plot your business policy on sufficient information, as Iago did when he "got" Othello.

Among the business men I have known, during the periods of bad "conditions" back to the panic of 1907, the fellows who have built up great enterprises, yet never insisted that it was necessary to do this or that short-sighted thing because they were business men—among these play-boys of large affairs, you are sure to find calmness and strength in times of trouble.

They stand aside and untangle the traffic jam like New York cops. They seem to be slow in getting the hose laid for the

well informed on the basic facts of the situation, and are working with the knowledge that there will be entirely different "conditions" a few months hence. They are not stampeded by circumstances, because they either make the circumstances, or find out all about them.

When the boys came home from France, the shrewd business man said, "Look out for a slump—bad conditions." But these big fellows, whom I interviewed, said, "Look for good business." They had studied the situation, saw that several million men going back to civil life would need civil trappings of every kind, and were getting ready to supply them. The business-is-business chaps hurriedly foreclosed their mortgages on each other, while the big fellows made their adjustments and were ready for the thriving business of 1919.

Boom Year in Bibles

THERE was a boom that year even in Bibles! A Bible publisher told me that his sales broke all records, and he accounted for this by assuming that, as every man mobilized had been given either a Bible or a testament, the boys wanted to read more of that book when they got home and had time.

The other day I talked with a Yankee merchant who has been doing business in Mexico since the palmy days of Diaz.

"It is a mistake for Americans to leave Mexico during a revolution," he said, "and turn the people of that country over to the rag-tag and bobtail that pours in to fleece them."

He comes of the New England trading stock that, in days when we had no factory goods to sell abroad, took ice out to India and brought back tea and spices. One story shows what such a business means in a disturbed situation.

A Mexican planter, to whom he had sold large bills of merchandise, came to him in trouble. The planter had a crop of sugar, but no way of selling it except to sharp traders who offered him next to nothing. This Yankee merchant knew the sugar market was operating normally outside of Mexico. He sent a cable to one of the American refining companies, and another cable to a shipping company.

Within a week the planter's sugar had been sold for a righteous price, and was on its way to the Atlantic seaboard—and the trader made forty thousand dollars and a stronger friendship. Later on, this planter was driven to California, for safety. When he returned to his plantation he came to the trader with a confession

(Continued on page 116)



"Among the play-boys of large affairs, you are sure to find calmness and strength in times of trouble"

conflagration, but presently the flames are succeeded by white smoke, and that by a singed odor.

While every little "business man" is running around, in terror, they are finding the center of the jam or the fire. Reporters go to them, and find that they are

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UNDERWOOD & UNDERWOOD

The Sun Still Shines for Jewelers

By EMIL W. KOHN

*Vice-president and Treasurer, Theodore A. Kohn & Son, New York
President, New York Jewelers' Association*

WALK along a popular retail street in any good

American town on a pleasant evening and notice particularly the high percentage of passersby who pause long enough to inspect the jewelry store window displays. Both the number who stop and the time they take will depend on the effectiveness of the window, but generally speaking the public has a vast and growing interest in the varied merchandise which the jeweler handles.

Those who stop may or may not return to buy. If the display did its full duty, it did more than interest the casual stroller. It created a longing to possess one or more of the fine things displayed. Sometimes local conditions may be such that while such desires may be stimulated, the means of satisfying them is denied. An industrial depression may suddenly cause the family purse to be opened only for barest necessities. When a community checks its purchasing, the jeweler is the first to feel the effect.

The jewelry business may be taken fairly as an indicator of general business conditions in any community. If the majority of the jewelry shops are prosperous, then the whole community may be said to be enjoying good times. If a



HOW are general business conditions? Ask your jeweler. He can tell you, because his business is a true indicator of the community's business.

Interesting changes are taking place, style becomes more important, reaching even to watches, as the picture shows.

downward trend sets in very gradually, the jeweler will feel it more accurately than other observers, and long before figures showing the state of trade will have been compiled. He will be able to tell more about how people are buying and about how credit stands than would be brought out in an extended survey of general business.

Jewelry is, of course, very old. The Prince of Wales told an English Jewelers' Trade Association recently that he had read in a history of civilization that ornamentation had preceded clothing in

men's minds, but that he personally could not say whether the idea of a pair of earrings actually sprang from the human brain before the idea of a pair of trousers.

The modern jeweler as we know him is a business newcomer. His mercantile ancestor was a sort of high powered peddler who carried his jewels on his person, with the least possible advertisement of his profession, lest highwaymen interfere with the course of his trade. Princes and plutocrats may still send for a jeweler with the request that a selection of gems be laid out on library tables for inspection, but that is decidedly the exception. Almost all of the business nowadays is carried on over the counter.

A few exclusive metropolitan shops have adopted the counterless shop, however, and do business entirely by conference in a finely appointed salon, with almost none of the customary accoutrements of the trade save the jewelry, which is brought out only upon request.

We in the jewelry business are of course directly concerned about the state of the trade, but most men seem to take more than a casual interest in this type of commerce.

Several interesting tendencies are apparent today. One is with watches.

They are becoming almost daily finer and cheaper. They improve inside and outside. If a jeweler had predicted that fine watches would be sold at retail for much under a hundred dollars twenty-five years ago, he would have been laughed at. Fine timepieces were made then, to be sure, but when the prices are considered today, there is no wonder that grandfather's watch stayed in the family for several generations.

"Guarantee" Is Abused

SINCE time immemorial, the word "guaranteed" has been used in connection with watches. It should not be, at least in the broad sense that leads the public to think that the jeweler is ready and anxious to put the watch back together that has been used to drive tacks into the wall, or has been the baby's plaything.

The jeweler is and probably always will be ready to make good on any mechanical imperfection which has shown up in service, but he should not be responsible for the health of every timepiece regardless of the treatment it gets. A great deal of misunderstanding may be avoided if he will take the customer into his confidence and explain the situation to him. Free repairing has long been a drain on the retailer, and a needless one. The public does not expect something for nothing unless it has been educated to do so.

Another fact about jewelry retailing which possibly escapes the average person is that few chains have made great progress. Those that exist have relatively few units. Undoubtedly the chief reason for this lies in the low turnover and the high average inventory maintained. One of the few chains which has made any headway belongs to a young man hardly thirty who started on a shoestring, or possibly it was a headstring. He capitalized his high-school-days popularity by giving cups for all athletic meets.

Good Advertising

IF THE season was slow and there were no athletic or sporting events, he organized them just so that he could present trophies. He called himself the community jeweler, and reminded the public constantly that he was their jeweler. He did a strictly cash business, advertising under the slogan, "If it came from Blank's, it's paid for." Evidently the psychology back of the idea appealed to the thrift instincts of his customers, for he now operates ten stores in a group of New England towns.

The variety chains have gone in for inexpensive jewelry rather extensively. Five and ten cent stores and the combinations which handle merchandise up

to a dollar find jewelry profitable. It is beautifully adapted to rapid turnover. The nation spends a staggering sum for cheap jewelry.

The popularity of inexpensive ornamentation has not affected the sale of high priced jewelry adversely. On the contrary, it may have had some stimulating effect. Many articles which retail for a few pieces of small change show careful and artistic design. Clever manufacturers have made it very, very easy for everyone to satisfy normal and abnormal desires for ornamentation and embellishment.

When a shopgirl wears a string of modish beads of novel design, and a bracelet of similar craftsmanship at a cost of a dollar or less, the effect may be decidedly good. A young society matron may be unconsciously started toward a jewelry store after noticing, in passing, the pleasing general effect. If every woman is going to wear some sort of jewelry at some price, those that can afford finer pieces will get them.

Imitations which can scarcely be detected are being offered. In some cases only the wearer can tell whether a piece is genuine. Human nature is such that relatively few women who can afford very costly gems will consent to wear cheap imitations, even though the effect is much the same. The distinction lies in the mind of the wearer, and usually American women prefer to create no false impression.

A wealthy woman asked me recently whether the pearls she was wearing were real. She was standing just across the counter, but I was forced to tell her that I was unable to say, although I have been dealing with pearls for thirty years. Then I went on to say that I could be fooled by imitations at a distance of two feet, but that when they were as close to my eyes as one foot, I could tell as to their genuineness. Those hardest to judge are the ropes of smaller pearls, for very few strands of large pearls are being offered today anywhere save at an occasional auction. Fine pearls have had an appreciation in value scarcely equalled in real estate, stocks or other investment.

Another tendency which is slowly affecting the whole industry is in style. Generally, styles may be said to be growing simpler. Since this is true of jewelry, it may fairly be said to apply to everything else in everyday life at all susceptible to style influence, and to depend on straight lines, curves and angles for effect. It is true of furniture, of architecture, of automobiles, of clothes—and jewelry reflects the universal tendency.

There seems to be a Renaissance ap-

proaching, in which the ultimate ideal will be Doric simplicity. The predominating note in the more modern jewelry is in line and angle, rather than in arc and curve. The third dimension is being eliminated. The square or baquette cut diamonds flanking the solitaire in the modern engagement ring afford a good illustration of this trend.

Pick up some of the class magazines, English, French and American, and note the drawings which indicate this modern style development. They will be found both in illustration and in the advertisements. Such are among the inspiration for fine jewelry creations. A bow on the back of a chic French frock may suggest to a designer a motif for a bracelet or a bar pin. This going back toward classic simplicity, this getting away from the rococo Victorial, is in the air. It is essentially modern, yet more permanent than a fanciful fashion.

Several Lines Are Sold

THE inclination many small shops have to include lines other than jewelry is also worth watching. It is the same movement which makes a drug store sell boxing gloves and a grocery store sell hosiery. The introduction of a wider variety of merchandise may be bringing with it a much needed change in the trade. Once the range of articles carried by a retail shop becomes wide, the necessity for modern, alert merchandising methods becomes imperative. Many jewelry stores need to be departmentalized, with sales, stocks and purchases planned in advance, based upon expected business.

When a jeweler sets up in business, he does so with a large outlay of capital, and an expectation of a reasonable business life. If he shows a profit the first year, he will have entered the ranks of the fortunate 60 per cent which show a net profit. He expects, traditionally, to have little new competition. Grocery stores come and go, but, the young man bent on going into business for himself pauses longer before starting a jewelry store because of the investment and training necessary. Many jewelry stores are family institutions. The house with which I am connected was established in 1861.

One Yearly Stock-turn

THE average jewelry store turns its stock about once a year. The mean is slightly less than that. Those doing better make a higher net in proportion. This would seem to indicate that stocks carried are too heavy and tie up capital, making interest charges high which in turn raises the operating cost.

Operating costs in jewelry are higher than for almost any other type of retailing. This means that a greater gross margin must be charged the public for its jewelry than for other commodities. The cost of maintaining an efficient sales staff is very large, compared with that in other retail ventures. Salespersons must be refined, attractive, and of fine sales judgment. Persons of such taste

(Continued on page 96)

“CHAIN jewelry stores may encroach more than they have, but the place for the independent seems everlastingly assured. Human nature never becomes completely standardized, although stores may seem to approach that state”

Making the Unfit Fit

By WALKER D. HINES

President, The Cotton-Textile Institute, Inc.

THERE is at least occasional, and perhaps frequent, comment to the effect that solution of bad merchandising policies in industry must be found in "the survival of the fittest." There is scarcely a line of manufacture in which the cry of "overproduction" is not heard, and in which there is not talk of excessive and unprofitable competition. Discussion of these painful topics is likely to bring out some expression to the effect that there is no solution except to continue the destructive contest and let the unfit die. I hear a good deal of this idea in the cotton textile industry and I do not suppose that that industry is unique in that respect.

Those who talk about the survival of the fittest seem to assume that the units in the industry should not join in an exchange of information as to production, stocks, and costs, should not encourage meeting together in groups to discuss common problems.

They reason that by this aloofness each unit of an industry will be left to its own devices and the weak and badly managed ones will fail and disappear from the field which would then be left to the strong and well managed. We should have then a comparatively small number of strong units, all employing sound manufacturing and merchandising policies, constituting the industry.

Unfortunately the history of industry does not lead us to believe that this will happen, certainly not so far as the manufacture of cotton textiles is concerned. If the rate of progress toward the elimination of the unfit and the survival of the fittest is as slow as it has been in the past, we are not likely to see any rea-

sonable realization of this state of affairs for many years to come.

We find that the number of cotton manufacturing establishments in this country has grown from 1,005 in 1899 to 1,638 in 1925, the last year for which census figures on the subject are available. It is also true that the total number of spindles in the United States has increased from over 19 million in 1900 to over 34 million in 1927. These increases in the number of establishments and in the number of spindles have been almost steadily upward, although on account of the post-war influences these items reached shortly after the War total amounts somewhat in excess of the figures for the last available years.

But broadly speaking it can fairly be said that the trend in the number of es-

tablishments and in the number of spindles has been steadily upward with the exception of that brief extra and temporary development in the post-war period.

It would not be difficult to cite other industries than that of cotton textile manufacturing to show how slowly the rule of the survival of the fittest goes into effect, if, in fact, it ever does. Here are two widely differing industries—commercial fertilizers and boots and shoes—for which figures have been assembled.

For the making of fertilizers there were 450 establishments in 1909 and 587 in 1927, and this in an industry which reports that in the last ten years it has not profited but "deficiteered" to the extent of \$225,000,000.

A like state of affairs exists in boot and shoe manufacture. In 1909 there were 1,343 establishments making footwear while in 1925 there were 1,460. It is only fair to say that the number declined from 1,606 in 1923 to 1,460 in 1925 but even that shows no great elimination of the unfit.

But it is with cotton textiles that I am chiefly concerned, and I refer to it as illustrative of the survival of the fit and the unfit in industry. If we look at the future of that industry, and disregard the discouraging indications of the past, how is the elimination of the unfit to come about?

The comparatively few mills which would be regarded as the fittest cannot by themselves supply the demand for cotton goods. If we assume that there are five million or even ten million spindles which would come within the designation of the fittest, it will

(Continued on page 136)



IF THERE are too many manufacturers in an industry, what to do about it? The simplest answer is to let the unfit go into bankruptcy. But as Mr. Hines says the fittest do not supply the demand by themselves, and the unfit do not pass out of the picture that simply. The answer is to make the unfit fit.

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, Bradstreet's

THE promise in late June and early July of an "old fashioned summer" meaning hot forcing weather with plenty of moisture, was abundantly realized during the past month or six weeks. July was the hottest month in seven years and the wettest July in the same period.

Natural results therefrom were a widely conceded improvement in crop prospects; an accession of cheerfulness in surplus crop areas, helpful to fall buying sentiment; an enlargement in buying of summer apparel and other vacation needs and a big business at summer resorts, this latter contrasting with a poor season a year ago.

Crop Prospects

ON THE other side of the account as regards improved crop prospects was a rather marked sealing down of prices of farm products with winter wheat, cotton, early potatoes and vegetables the chief sufferers and with prices of new crop deliveries of cereals, other than wheat, showing notable weakness. Against this from a price standpoint purely was a slight firming up of industrial products, except cotton goods. In view of these price happenings and the fact that a number of important crops are yet to be harvested anything in the way of the familiar estimates of increase in value of the new crops seems at present statistically futile except for the traditional satisfaction that is taken in big yields by those immediately benefitting or likely to handle them on their way to market.

It seems clear that the trade and industrial situation in July and early August as in previous months was rather two sided but that cheerful features rather seemed to have a slight "edge" on less favorable happenings. On the favorable side was the sustained strength of buying demand or production of automobiles, and their accessories, this including tires and gasoline; steel products of nearly all kinds; canners' supplies, agricultural implements, shoes and silk fabrics.

Increased activity in flour milling, consequent upon an apparent record yield of wheat in the southwest; another gain in the petroleum trade, especially in prices,

after nearly two years of depression; a more cheerful tone to lumber; the largest monthly gain in permitted building reported in four years; a smaller number of July failures than for several years past and the first monthly increase in car loadings shown over the like period of the

to be rather leisurely in getting into its fall swing.

The effect of the steady hardening of money rates was an increasing subject of discussion as regards its possible bearing on actual commercial borrowers as opposed to purely speculative lines. The higher range of call money quotations upon stock market dealings did not apparently cause any marked weakness after the early part of July when 10 per cent call rates ruled for a time and advances in Federal Reserve Bank rates resulted in a rather sharp downturn in stock prices. Bonds, also, ruled lower and foreign exchange receded rather sharply.

One effect worth noting from a statistical standpoint growing out of the quieting in speculation brought about by tighter money, was the evidence of a return to normal or thereabouts in the bank clearings and bank debits returns which had been distorted, from a trade measuring standpoint, by the activity in speculation, record sales of securities, etc.

Metals—Failures

SUCH measures of July movement as are compiled as early in the month as this is written, point to trade and industry moving with a more confident step. Thus steel production in July gained 19 per cent and for seven months gained 5.8 per cent toward a new record year's total. Pig iron production though 3.8 per cent below June was the same percentage ahead of July, 1927, and prices of both steel and iron are firm to higher.

The permitted for building in July showed a gain of 11.3 per cent over a year ago the largest gain shown in any month since 1924.

Failures in July dropped below a year ago as they did in June, and the increase over a year ago for seven months has been whittled down to a small fraction of one per cent while liabilities are the smallest for eight years. Bank failures in number and liabilities are the lightest for four years.

July car loadings showed a very small fraction of one per cent gain over a year ago, but it was the first month to show an increase since April of 1927. The effect of reduced stock speculations upon

BUSINESS INDICATORS

Latest month of 1928 and the same month of 1927 and 1926 compared with the same month of 1925

	Latest Month Available	1928	1927	1926
Production and Mill Consumption				
Pig Iron.....	July	115	111	121
Steel Ingots.....	July	129	108	118
Copper—Mine (U. S.).....	June	102	99	102
Zinc—Primary.....	June	111	108	105
Coal—Bituminous.....	July*	94	89	110
Petroleum.....	July*	109	116	96
Electrical Energy.....	June	133	124	113
Cotton Consumption.....	June	106	134	105
Automobiles.....	July*	102	75	96
Rubber Tires.....	May	119	113	92
Cement—Portland.....	June	114	112	110
Construction				
Contracts Awarded (36 States) Dollar Values.....	July	111	101	95
Contracts Awarded (36 States) Square Feet.....	July	100	82	80
Labor				
Factory Employment (U. S.)—F. R. B.....	June	95	98	101
Factory Pay Roll (U. S.)—F. R. B.....	June	99	101	104
Wages—Per Capita (N. Y.).....	June	105	104	104
Transportation				
Freight Car Loadings.....	July*	101	100	106
Gross Operating Revenues.....	June	99	102	107
Net Operating Income.....	June	93	95	117
Trade—Domestic				
Bank Debits—New York City.....	July*	141	121	109
Bank Debits—Outside.....	July*	113	106	108
Business Failures—Number.....	July*	102	104	95
Business Failures—Liabilities.....	July*	86	125	86
Department Store Sales—F. R. B.....	June	104	102	102
Five and Ten Cent Store Sales—4 Chains.....	July	127	120	113
Mail Order House Sales—2 Houses.....	July	144	118	115
Wholesale Trade—F. R. B.....	June	92	96	100
Trade—Foreign				
Exports.....	June	121	110	105
Imports.....	June	97	109	103
Finance				
Stock Prices—20 Industrials.....	July	158	131	117
Stock Prices—20 Railroads.....	July	139	139	116
Number of Shares Traded in.....	July	120	116	113
Bond Prices—20 Bonds.....	July	104	105	103
Value of Bonds Sold.....	July	77	100	90
New Corporate Capital Issues (Domestic).....	July	155	106	84
Interest Rates—Commercial Paper, 4-6 Months.....	July	130	103	101
Wholesale Prices				
U. S. Bureau of Labor Statistics.....	June	94	91	97
Bradstreet's.....	July	92	88	89
Dun's.....	July	98	94	93
Retail Purchasing Power, July, 1914 = 100				
Purchasing Power of the Retail Dollar.....	June 1928	62	61	60
Purchasing Power of the Clothing Dollar.....	June 1927	58	50	57
Purchasing Power of the Food Dollar.....	June 1926	65	63	62
Purchasing Power of the Rent Dollar.....	June 1925	62	59	57

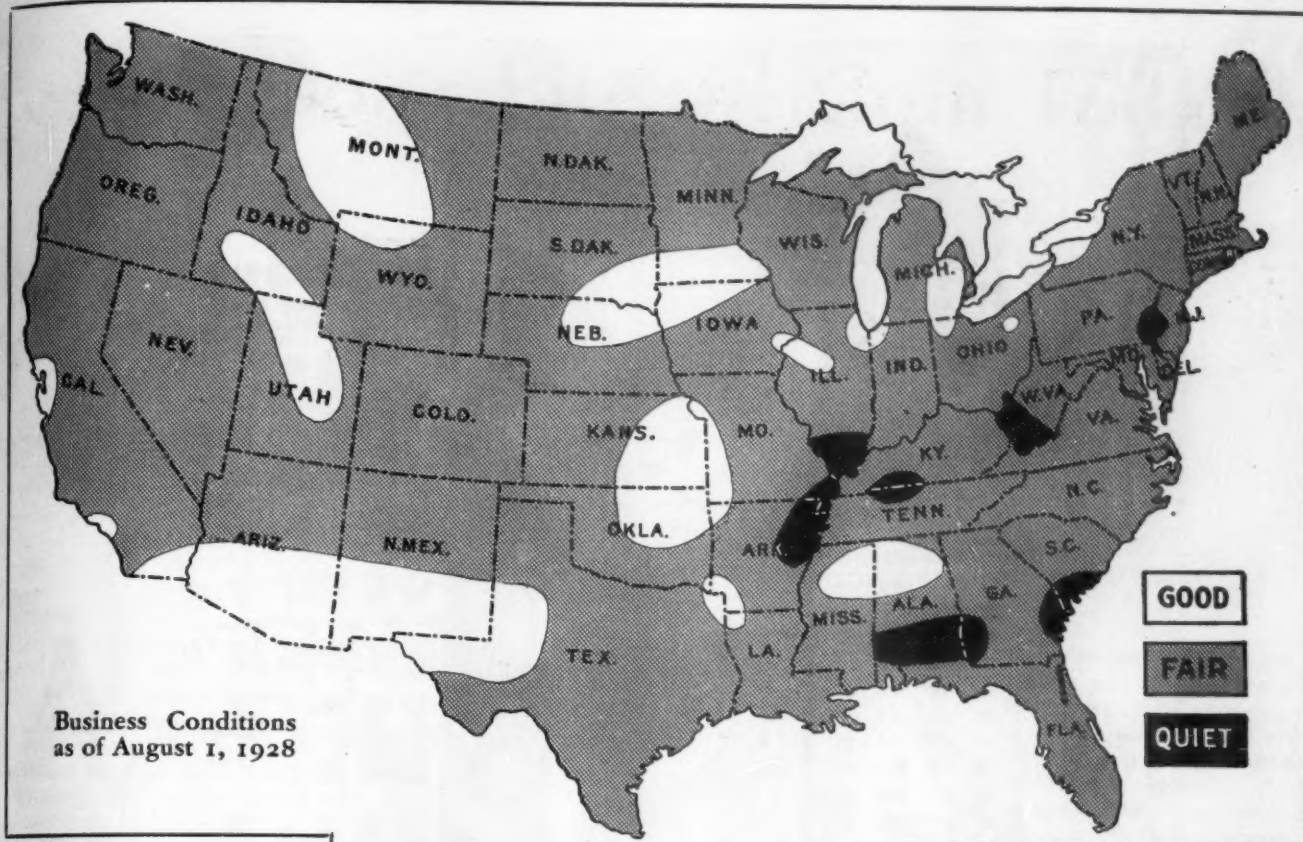
(*) Preliminary.

Prepared for Nation's Business by the Statistical Dept., Western Electric Co., Inc.

preceding year for fifteen months past were additionally favorable happenings.

Textiles—Furniture

ON THE less favorable side of things may be cited prominently the evidences of weight of production necessitating continuance of the heavy curtailment movement noted in May and July in cotton goods. The woolen goods manufacturing line was rather less active than normal with lower prices for next spring goods noted at the first of the season's "openings." The furniture trade seemed



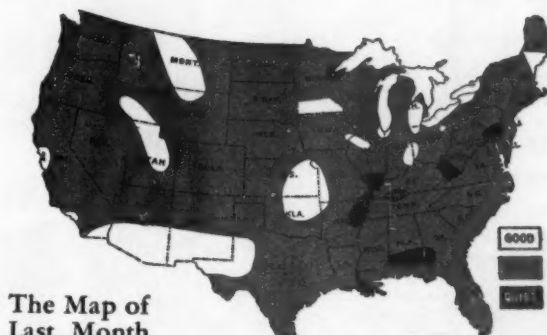
bank clearings is reflected in the smallest gain over a year ago, 5.5 per cent, reported in any month since July, 1927.

Petroleum—Chains

CURTAILMENT of production was apparently the right way out of a two-year depression in the petroleum industry. Very much the same plan is being tried in lumber, but a record consumption of gasoline has been an aid to petroleum, whereas lumber has lacked the really active consumptive demand the former has had. Crude petroleum production for the half year, 435,000,000 barrels, was six-tenths of one per cent below 1927, while domestic consumption of 340,000,000 barrels was 11.2 per cent larger than a year ago. Stocks of crude, 370,000,000 barrels, more than a half year's consumption, declined fractionally in June for the first time in many months but were still 17 per cent larger than a year ago.

Gasoline production and consumption alike broke all records in June and for the half year gained 8.6 per cent over a year ago. Thirty days' supply was on hand at the close of June against forty-two days' supply a year ago.

A feature in distributive



A WIDENING of the white (good) areas on the map as of August 1 is a reflection of the "stepping out" visible in many lines as a result of better crop conditions and real summer buying weather. The black (quiet) areas shrunk a little on the whole. It needs to be recalled that comparisons are with a year ago and given no obstacles growing out of lower prices for crops or higher prices for money, comparisons should favor this year as against last year for some months to come

trade in recent months has been the rather smaller percentages of gain shown by chain stores as opposed to mail order houses, whereas the chains generally speaking have been for some years past leaders in proportion of gains shown.

Lower prices for new crop corn, oats and other grains has made a change in the price situation as compared with the middle of May, when farm product prices were reported at the highest for some years. Even prices of cattle and hogs eased somewhat from a month ago, when they were the highest of the year.

One explanation may be that chains are not adding new stores as rapidly as in earlier months and years whereas mail order houses have been opening branches freely.

Farm Prices

SOME current statements of the favorable position of the farmer and of the big increases in value of the crops owing to the prospects of large yields (prices of remnants of old crops being apparently taken as guides instead of the prices for new crop futures) read rather queerly. Cotton prices promise absorbing interest in the next few months.



VIII. The Spirit of Detroit

An Etching by Anton Schutz

A GLIMPSE of Detroit—America's youngest urban giant—where dreams are made realities.

On the right stands the Washington Boulevard Building. The Book-Cadillac tower on the left, 40 stories high, will soon be surpassed by a new Book tower of 85 stories, which, it is planned, will be the highest building in the world. Verily dynamic Detroit

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We Don't Bite the Coin Today

By MERLE THORPE

Decoration by Thomas Benrimo

A YALE professor, addressing an audience of 6,000 Bolshevik sympathizers in Madison Square Garden October 24, 1927, related with evident relish the following incident which the press reported "brought the crowd to its feet with cheers and laughter."

"I have a cousin who inquired his way to his hotel in Moscow from a Russian jewelry store proprietor. The jeweler offered to conduct the stranger and started out, leaving his store unlocked.

"Aren't you afraid of thieves?" the American asked.

"Why should I be?" replied the courteous shop-keeper. "Aren't you the only American in Moscow and am I not going to stay with you?"

The implication of the incident was that in America no one could be trusted.

A few days later I was in New York City. On lower Broadway a soap-box orator was holding forth. He shouted: "Business is crooked. It is made up of blood suckers. The whole rotten American industrial system should be completely smashed!"

Business Runs on Confidence

I MARVELLED, for just back of him towered a building which houses the headquarters of a great telephone company—a company built upon the faith and the confidence of 421,000 American men and women who have turned over to it their earnings and savings. They have never met the men in charge of the company. They receive for their money nothing in return but a piece of paper—a certificate—evidence of share ownership and their claim to some of the profits.

That is only one of a hundred public service companies in whose hands billions of our money have been placed in trust. There are also the great insurance companies, trust companies, and savings banks; not to mention the thousands of corporations such as railroads and manufacturers and oil and lumber operators, to whom we have lent our money.

Even while the soap-box agitator was shouting, 90 per cent of this same rotten business he was describing was being conducted on credit. And what is credit? Nothing more nor less than confidence that a man will keep his word.

This business confidence is the foundation of American life and prosperity today. In the economic evolution, the present era is not the steel age, nor the automobile age, but the age of credit economy.

The "parlor pinks" chatter of the double dealing and degradation of our business life and solemnly propose a radical overturn, forgetting, if they ever knew, that the road by which we have reached this high peak of business confidence has been long and rocky and up-hill most of the way.

When Caveat Emptor Prevailed

OUR daily transactions were not always carried on so simply. In the beginning, trade was conducted at fairs. Usually a hill-top or some other commanding spot was chosen and there were set up the tented shops of the drapers and the goldsmiths. In them were found the fine linens from Egypt and the camel's hair from Persia. Our present-day stock exchange is a direct lineal descendant of the old-time market place.

The outstanding difference is that around the old market place was a stockade with a guarded entrance!

When a buyer came through the guarded entrance, he expected to find the atmosphere of *caveat emptor*. Nor was he disappointed. There might just as well have been thousands of signs: *Let the Buyer Beware!*

The customer located the article which he wished to buy. He held it tightly in his hand or kept his eye fixed intently upon it as he haggled over the price. John Wanamaker had not yet proved that the asking price was the last price. And it was not unethical in those days to substitute even while negotiations were in progress.

When the customer produced his coin,



the seller bit it to make sure it was all that its face implied.

Thus were the comforts and necessities of life bartered and sold in the good old days.

Centuries passed and confidence grew. We learned to buy from a sample. We said, "Send me a dozen like this." We went away secure in the confidence that the dozen would come according to the sample. And the seller on his part did not say, "Pay me first; I am afraid to buy raw materials and employ workmen and pay them until I see the color of your money." What he said was "Pay on delivery."

More centuries passed and confidence between man and man continued to grow. The buyer no longer demanded to see the sample. He believed in the salesman's descriptions, or the specifications in a catalog. And the seller did not say, "Pay on delivery." He said, "Take thirty days to turn around."

Each had gained confidence in the integrity of the other.

Slips of Paper as Payment

TODAY, goods amounting to billions of dollars are bought and sold by the printed word, through advertising, and over the telephone. Payment is made by a slip of paper drawn on a bank, sometimes thousands of miles away, and it is accepted without question as to whether the money is there or as to whether the bank will pay when the check slides through the teller's window.

Through the check and deposit system, more than 90 per cent of our exchanging is carried on. There are 800 billions in check transaction yearly in the United States—with less than five billions of money in circulation.

We don't bite the coin today.

Vast improvements have taken place in the method of exchanging. The colonial mediums of wampum, beaver skins, grain, tobacco in the South, all of which passed for money, gave way to stable currency and later to "faith money" or "credit money," which is the check, more technically called "fiduciary currency."

It is a common tendency to place upon money the blame for most of our national business wrongs. This was especially true in an early period. We have come to realize that money may be nobly or basely used, that the instrument should not be blamed for what its owner does.

Similarly with credit. It is the abuse of credit, that is, of confidence, that produces some of the evil of the present era. The undertaking to promise more than one can perform, the detraction of useful agencies, instruments and processes, with appeals to passion and prejudice, masquerading as "appeals to reason," are as much an element of danger in this era of credit and confidence as the very abuse of money and of credit-exchange.

Who now fears that his milk is watered or his sugar sanded? You buy a Ford or a Cadillac without questioning the soundness of its materials or the honesty of its seller. You select color and design, but

you take on faith steel and leather and mechanical skill.

The *Caveat Emptor* signs have long been carried to the basement. The new signs in their place read "*Caveat Venditor!*" It's the seller who is held to strict account today.

Confidence and Faith

HOW far-flung the ramifications of this business confidence! Nearly every act in the day is based on confidence and faith in a fellowman that he is keeping his word to us. From the morning paper and the coal on the furnace grate, the food on the breakfast table and the elevator we ride on, to the policeman who walks the beat, the bill-collector, the street car motorman to whom we intrust our children on their way to school, we are everywhere and always pinning our faith and confi-

dence on other people and many of them strangers.

When I boarded a street car recently I saw a man give the conductor a dollar bill. The conductor returned his change in nickels and dimes. The passenger pocketed the money without counting it. "Hold on," said the conductor. "How do you know I gave you the right change?"

"Oh," replied the passenger, "how do you know the dollar bill I gave you is not counterfeit?"

That incident can be multiplied millions of times every day.

For—and this is an accepted fact—90 per cent of the business transacted in the United States today is conducted on credit. Business could not be conducted on the vast and complicated scale it is in this country if it were not for this general

Business Men You Have Read About



AD CLUBMAN

Charles C. Younggreen is the new president of the International Advertising Association, and vice-president of Klau-Van Pietersom-Dunlap - Younggreen, Inc., Milwaukee agency. With such titles, there's no space for more



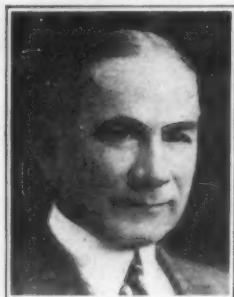
N. R. D. G. A.

Otherwise, National Retail Dry Goods Association. And Channing C. Sweitzer is now the managing director. He worked up from the ranks, recently succeeding Lew Hahn, who resigned to head department chain



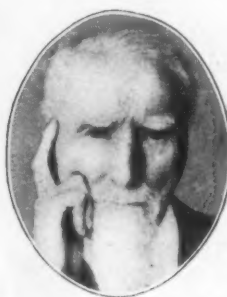
A CENTURY PLANT

One of H. R. Swartz's jobs is being president of R. Hoe & Co., makers of printing presses. After doing pretty well at the old stand since 1803 on the East Side, they move into new quarters in the Bronx



BOSS LION

Benjamin A. Ruffin, architect, insurance expert and director of we-forget-what-all is made president of Lions International. He builds schools and preaches good - will. His home is in Richmond, Virginia



SALTY ROMANCE

Hero of many a stirring sea story, Robert Dollar, 85, makes fiction seem tame. Head of the Dollar Lines, the doughty cap'n is on his way around the world for the fourth time in five years. He's for private operation



IN POLITICS

Soon after Raskob's appointment as head of the Democratic host, John W. O'Leary, Chicago banker, and past president of the U. S. Chamber, was made a financial lieutenant in the opposite camp. "The doctors disagree"

confidence in the integrity of the men who are conducting it.

You intrust a hundred dollars to your bank. You have confidence that it will pay you a specified interest and return it to you when you call for it at a specified time. The bank intrusts your hundred dollars along with others to a manufacturer, who in turn passes it on in the form of goods to a wholesaler. He intrusts the goods, made possible by your money, to a retailer.

Sales Based on Credit

THE retailer sells you the goods and trusts you for them until the first of the month. He knows you will pay, and when you do, your dollars, represented perhaps by a check on your bank, begin their journey to wholesaler, manufacturer, and back to your bank. They have

been working all the time, and incidentally for your comfort and convenience.

You send your check to the insurance company in payment of your life insurance premium. It does not rest in the company's vault overnight. The insurance company intrusts it to a man who owns a building. A large part of the insurance money, slightly more than two billion dollars, goes to farmers as loans upon their lands.

You may rent an office in the building and your rent money helps to pay the interest on the insurance loan, and so becomes part of the reserve which is set up to pay your widow when you die. Or your grocery bill on the first of the month may ultimately go to the farmer for his wheat and hogs to help pay back the money you advanced him through the loan of the insurance company.

Business is big business today because men and women have confidence in a man or group of men and lend them money and receive in return a piece of scrip representing their stock interest. The United States Steel and the American Telephone and Telegraph Companies are big only and because 55,000 and 421,000 men and women respectively have shown confidence in their managements and intrusted them with their savings. In many corporations the employees own as much of the business as the officials themselves.

One of the most modern off-shoots of this development of confidence and credit is instalment buying. Like all new developments it has been subjected to a great deal of skepticism. But stripped to its essentials it is simply the extension of this principle of confidence in the individual, which established concerns such as manufacturers and merchants have always had. It is a little more than that, it is the gathering up of the haphazard individual credits of the nation and putting them to work under the scrutiny of bankers and acceptance corporations.

The individual has always had potential credit. It varied in degree with different persons. But there was no man who could not be trusted at least for a loaf of bread and a pork chop. I can remember when in the small town where I lived it was considered an insult for a merchant to send a monthly bill. Especially was this true of the doctor. My father and his neighbors had credit with the grocer, the doctor and the barber.

Modern industry gathered up the nation's potential credit, labeled it, dramatized it, and used it. It is a legitimate tool of commerce.

Budget Mind Acquired

INCIDENTALLY, it should be remarked that the individual, because of this new face put on his credit, has been taught to think in terms of years—not weeks. He has adopted a budget. Perhaps not consciously in every case, not with pen and ink, but certainly instalment buying has helped him to acquire a budget mind.

To repeat: Instalment buying and all that it comprehends in raising standards of living of millions of people by centuries is made possible because of the growing confidence men have in one another in business transactions.

It has been estimated that there is ten times as much credit outstanding in the United States today as there was twenty-five years ago, and five times as much as ten years ago.

There are four and one-half billions of gold stock for monetary purposes in the United States today, of which less than ten per cent is in actual circulation. Upon this gold stock, plus actual commodities moving in consumption, has been reared a towering structure of currency, checks and general credit, until the actual gold is a negligible percentage of forms of promises to pay.

Suppose, for example, a highly improbable (Continued on page 112)

In the Passing News of the Month



YOUNG LEADER

Paulino Gerli is the youngest man ever elected head of a New York exchange. He now heads the new National Raw Silk Exchange. Of a family of silk men for generations, he was born in Italy 37 years ago



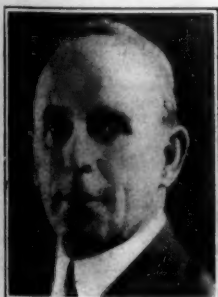
INTERNATIONAL

Horace W. Davis of Binghamton, N. Y., is president of the newly formed Afga Anasco Corporation. In that firm are merged America's oldest and Germany's largest film companies. Expansion is planned



CLEAN POLITICS

Exposing the partnership of crime and politics as foreman of a Chicago grand jury is the ticklish lot of Donald L. De Golyer, vice-president of the Continental National Co., of Chicago, and a former soldier



IN POLITICS, TOO

The energy of John Raskob, recently devoted to financing automobile making, is now the directing force behind the Democratic campaign. He is a director of the Chamber of Commerce of the United States



PROFITS FROM ART

He adapted modern art to department store selling so well at Macy's, New York City, that even Europe became interested. The exhibits had a real sales value. He is E. R. Dibrell, Executive Vice-President



STILL LEARNS

At 25, John Moody wrote sagely on how to invest wisely. Forty years later, as president of his own investor's service, he humbly admits knowing no sure rules for wise investment. Life is too short to learn it all, he says

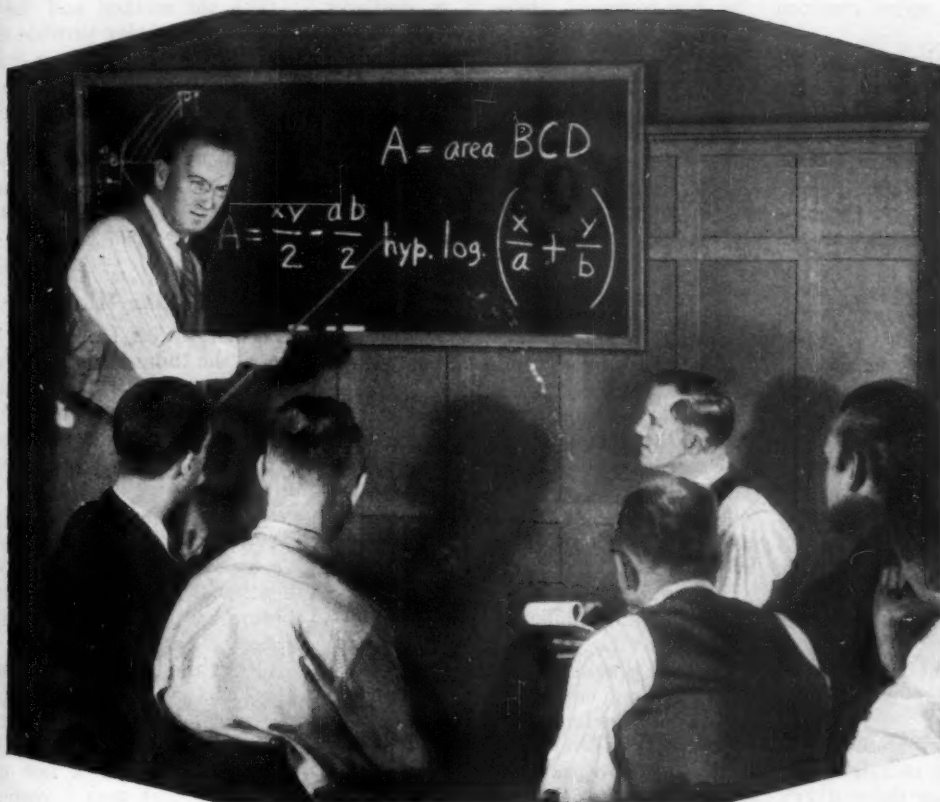


ORIGIN OF THE PHRASE "DICTATED, BUT NOT READ"

IV. Unrecorded Moments in the History of Business

ANOTHER of the historical moments in the history of American business which, but for the research of this magazine and the pen of this artist might have gone unrecorded. There can be no doubt of the author of the impressive phrase "dictated but not read." It was first used by T. Walter Billip on July 1, 1905. He was innocent of golf, but the outdoors called him. He rapidly dictated four letters (not one of which began "yours of the 29th received and contents noted"), turned to his stenographer and said: "Miss Mults, put on each 'dictated but not read' and sign them for me." And a notable addition had been made to American business!

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Industrial workers must be trained and educated to their jobs to work most efficiently. One company will spend \$140,000 this year for mechanical and technical instruction of its employees. Education helps both the workmen and the company

Making Men Like Their Jobs

By JAMES ELLIOTT

President, Elliott Service Company and Underwood and Underwood

HAS IT ever occurred to you that a worker to whom you are paying \$28.84 weekly is costing you the interest on \$25,000? In other words, every \$28.84 a week worker may be said to represent a \$25,000 investment of your company funds.

A hundred such workers represent the interest at 6 per cent on \$2,500,000!

When the financial relationship between the individual worker and your company is viewed in this light, it is rather obvious that one of the most important functions of successful management must always be the control of its working personnel to secure a maximum return in production for the investment involved. All too often, however, we fail to appreciate the value of effective personnel control, and there is a consequent loss of productive effort, which means actual financial loss to a company.

If \$25,000 was about to be invested in a machine of some kind, there would undoubtedly be no end of conferences, analyses, and time and cost studies, on the part of company executives seeking to be certain that the machine was worth its cost. If the machine's productivity is not susceptible of profitable control, the chances are a hundred to one that it will not be bought. Similarly, if a company executive started out to invest a fund of

\$25,000, it is certain that he would demand assurances of proper control of that fund before the investment was made.

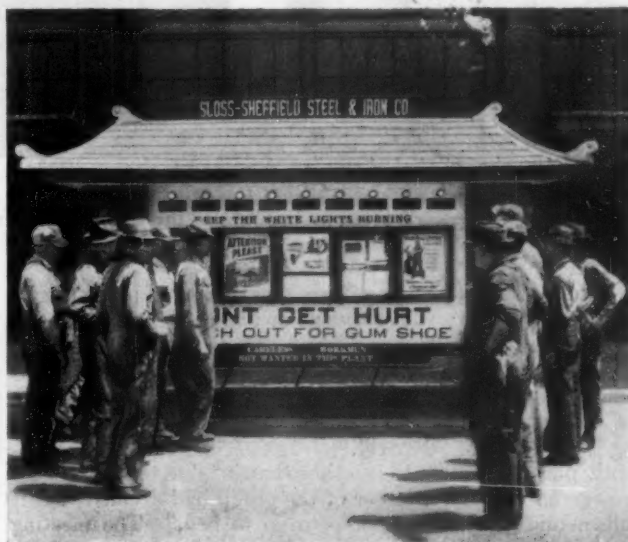
A similar factor of control as applied to personnel can perhaps never be so definitely measureable as the factors of control in the case of the machine or the fund to be invested, but the happy experiences of industrial concerns which have made definite progress in personnel control pro-

grams prove that these programs not only work, but that they work out profitably.

The problem of effective personnel control breaks down easily and naturally into two parts. The two phases of the worker's job which are equally susceptible of control may be described as: (1) technical; (2) non-technical.

The technical phase is concerned with the worker's knowledge of the job and his particular skill in performing the work to which he is assigned. To insure a full measure of productivity on the part of the worker, we go to considerable expense in time and money for technical or mechanical instruction.

An executive in one of our larger rubber companies stated recently that his organization was planning to spend in the neighborhood of \$140,000 in 1928 exclusively on the technical training and instruction of its laboring personnel. Similar considerable expenditures in this



Workers are interested in their company's problems

direction are becoming more common every year.

The advisability and the necessity of controlling the technical phase of the worker's job is, as we have seen, a thing that is more or less taken for granted. In the non-technical phase, however, a true understanding of the advantages of control is not given the study and the consideration by management that it deserves.

Under the non-technical phase come all the factors which both directly and indirectly influence the man's attitude and lead him to do his work either just well enough to "get by," or a little better than expected.

Esprit de Corps Needed

IN other words, let us suppose that the worker has been instructed and trained to a point where he knows the "how" of his job to absolute perfection. The simple fact that he knows how is no guarantee that he will do it as well as he knows how. The way he thinks and feels about his job, about the company, about his foreman, and kindred extraneous factors, all help to decide that.

A personnel control program which hopes to be effective must include means and methods of stimulating the worker's thought in channels which will result in the creation and maintenance of a desirable attitude of liking and respect for the job and foster an urge to do better and more work. To do this, the program must recognize and analyze the negative factors which are everywhere tending to influence the worker when he is away from his job.

The movies are one example. Constructed to entertain, they are not worried about influencing a worker negatively when they show the hero starting out in rags at 7:31 p. m. and have him a millionaire no later than 9:23 p. m. The worker isn't really to blame if, after seeing such an exhibition of financial progress in five reels, he reaches the conclusion that if he "had a chance" or "got a square deal" he, too, could do the same trick in the same way. That's only human, and the control program must include factors to counteract this negative influence and impress upon the worker that after all—when the last movie reel has been tucked away for the night in its tin storage box—the only sure way of making a dollar is to earn it.

To students of personnel control programs, especially in the non-technical phase, the surprising thing is the similarity of fundamentals in both phases. In the technical phase we are agreed that it is necessary to instruct, inform and direct the worker in the "how" of his job. In

the non-technical phase it is similarly necessary to instruct, inform and direct the worker in the "why" of his job.

No personnel control program can ever be successful without proper attention to both phases; and without active personnel control, no business is securing proper return on the tremendous cash investment which its personnel represents.

Once we recognize the importance of better personnel control, the next step leads to a consideration of the proper method or methods to use to gain the desired results.

The other day a friend of mine told me of an experience he had while traveling on a Pullman from New York to Chicago. About 10:30 at night a group of four or five men, including my friend, were seated in the smoking compartment at the end of the car, talking none too quietly and arguing about business and the news of the day.

Presently the porter came in and hung up one of the familiar signs, "QUIET—for the benefit of those who have retired."

None of the men paid any attention to it and the loud conversation continued.

Five minutes later the porter again appeared with a second placard, "QUIET—for the benefit of those who have retired," and hung it up on the other side of the



A courteous porter disbanded a group of noisy passengers when he brought in the third "quiet" sign

room. There was some slight lowering of voices by one or two of the conversationalists.

In another ten minutes the polite but persistent porter entered with another "QUIET" sign and placed it on the window sill.

In less time than it takes to tell it, every member of the group had decided that it was "time to go to bed." The meeting broke up and its attendant noise stopped.

Both the method and the persistency used by the porter provide us with perfect examples to follow in doing effective personnel control work. The method of polite suggestion through the medium of the printed word or picture is the most effective method of getting employees to think along constructive lines, because it is a method we are all used to in a hundred and one other activities outside our working hours.

Thinking With Our Eyes

ADVERTISING messages influence us in the things we eat, wear and otherwise use. Street signs tell us where we are; "Stop" and "Go" and "Detour" warnings silently govern the manner of our going; everywhere we turn we are used to receiving information through our eyes. The amount of it is proof of its effectiveness. We are an eye-minded people, and in a way that causes no resentment or antagonism the printed word or picture can tell us how to think or what to do.

To get the other side of the story, imagine what would have happened if the porter had stuck his head in the doorway and said to the men there, "QUIET—for the benefit—." It is not unreasonable to imagine that such a verbal command might have resulted most disastrously for the lord of the brush-broom.

The thinking of our industrial personnel, which means their actions, as well as thoughts, because motives control actions, can be effectively directed through the method of the printed message, but the degree of success is in direct ratio to the persistency with which the method is made to function.

Today's first-time message of education, information or stimulation will be more effective tomorrow, and still more effective the day after. Persistency is the answer.

The lesson that all successful advertising experience has taught is the lesson of persistency. It is, of course, better to introduce as much variety into the method as possible, but there should be a persistent plugging away with definitely determined appeals. In the case of the porter, for example, it is an established truth that if the first "Quiet" sign was black and white, the

second would create more interest if it were in some other colors like red and green, and the third would be proportionally more interesting if it were blue and gold. The point to remember, however, is that in the absence of variety, if we keep everlastingly at it, results will be obtained. If variety is possible, so much the better.

The right method, persistently followed (Continued on page 118)



"If a democracy dominates the British House of Commons, an aristocracy administers and enforces the laws there decreed"

British Caste and British Trade

By PIERRE CRABITES

American Representative on the International Tribunal, Cairo

Illustrations by Sydney E. Fletcher

WHEN I FIRST came into close contact with the British official world in Egypt in 1911, I was at once impressed with the extremely high character of the Englishmen who made up the Anglo-Egyptian Civil Service.

Lord Cromer was then no longer at the helm, but since he had only recently retired the spirit of his genius still prevailed. All of the men who had helped the great pro-consul to rejuvenate Egypt seemed to take both pride and pleasure in their work. They were the embodiment of tact. They knew how to produce results—and to play games. With few exceptions, they all seemed to be cast in the same mould.

They were what England calls "public school boys." But they were not "public school boys" in the sense that America understands the term. On the contrary, they were alumni of Eton and Harrow, and of Beaumont and Winchester. They were, in other words, products of institutions which, far from being melting pots, pride themselves upon accepting within their portals only the sons of gentlemen and which vaunt that they impress upon their students the hall mark of a superior caste.

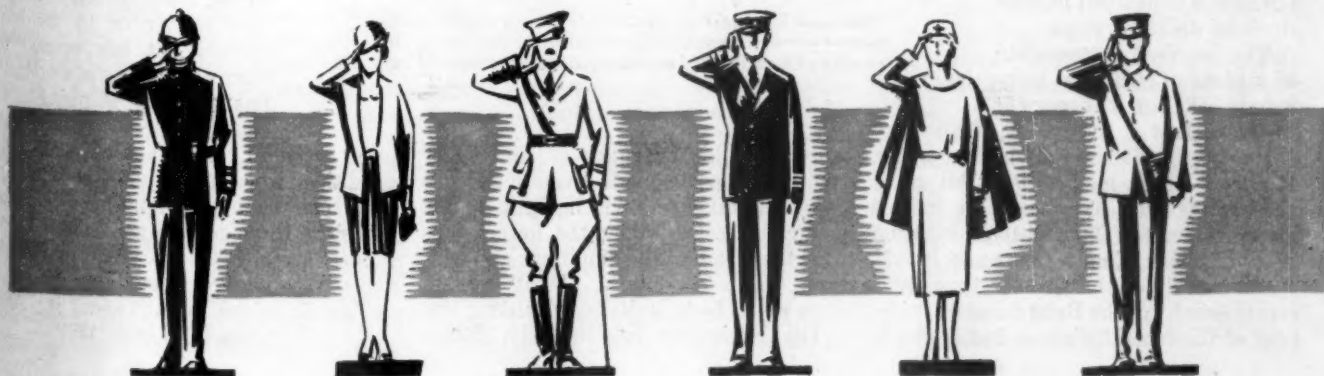
Uniformity of Type

BECAUSE I came from a country where the standardization of office holders does not obtain, where, on the contrary, officials may be of any conceiv-

able vintage, but where they are never all of them of the same brew, this uniformity of type was the first thing to arrest my attention. I had never seen so many men who, whether at work or at play, responded to the same ideal.

I observed that the few army officers who were then stationed in Egypt were peas of this self-same pod. They worked a great deal less and were seen at the club a great deal more than their brothers in mufti. But they were obviously taken from the same social stratum.

The Cairo British bar, in those days, made up in quality what it lacked in numbers. Every member of it, however, had passed through the same crucible. But these barristers worked harder and played less than did the official set. And



the same thing might be said of the English doctors and bankers.

All of these elements—judges, bureaucrats, lawyers, medical men and bankers, however, formed almost an ethnical group segregated from that of the other Englishmen whose business interests called them to Egypt. At all events they spoke a different language, their accent bore the stamp of individuality, they moved in another sphere, they constituted an entity which was separate and distinct from that of the Chamber of Commerce contingent. To be brief, they formed a caste.

And as soon as the word "caste" crossed my mind, my thoughts carried me to India. I saw thousands of Englishmen in the Indian army and like-members in the Indian bureaucracy. But discreet inquiries and my reading in time convinced me that within the sight of the Himalayas, Britain is even more punctilious than she is in Egypt in drawing a line of cleavage between avocations open to the masses and those reserved for the classes.

And from Calcutta and Bombay I rapidly reviewed the whole British Empire. I soon saw that all crown colonies but repeat the phenomenon so clearly defined in Egypt, and so unmistakably accentuated in India. In other words, the fact was driven home to me that if a democracy dominates the British House of Commons, an aristocracy administers and enforces the law there decreed. I mean by this that while those who legislate may be politicians, party strife has nothing to do with the machinery of government or with the direction of the affairs of the state. Another atmosphere prevails at Westminster from that which dominates Downing Street.

If I were a Briton, I should be loath to criticize a system which has played so prominent a part in consolidating the greatest empire now in existence. The standard of Saint George and of Saint Andrew floats over countless seas, over innumerable races, and over climes where the Creator is worshiped in hundreds of different ways.

The successful operation of a plant of such vast magnitude calls for management of the highest order.

It requires efficiency of the first water. It cannot brook mediocrity. But all of these forms of expression connote but one idea. They mean that the administration of the British Empire demands brains.

Pro-consuls of the Cromer type, governors general of the Byng standard, viceroys of the school of which India affords

many an example cannot be created overnight. They are indigenous to the soil from which they spring. They are products of the environment in which they are nurtured. They are what they are because caste is ingrained in the blood of Englishmen and because the sons of gentlemen are taught to consider the service of the crown to be one of the greatest goals upon the cricket field of life.

Brains for the Government

THESE conditions enable Britain to recruit her administrators from among the best minds turned out by her outstanding schools. Such a point of view assures London that her foreign policy is committed to an endless chain of men who think in terms of the public weal. Such a conception guarantees to British statesmanship that the work of today will not be thoughtlessly scrapped tomorrow.

But no governmental budget could compete with private enterprise for the employment of that category of brains capable of producing such results. Of

when society is so constituted that to be admitted into a specific fold constitutes access to a Holy of Holies. When induction into public office corresponds, in a measure, to initiation into a club of gentlemen, the Treasury pays its officials only a part of their salary. They get their main stipend not in the currency of the realm, but in the enjoyment of various indefinable social prerogatives. A commonwealth which works along such lines is paying tribute to caste. This is precisely what England is doing.

And this is how the microbe does its work. I shall not say that it attacks the new-born offspring of British loins while the babe is still in the cradle. I feel, however, that I can safely say that the first cry of the son of an English gentleman hardly subsides before his fond father telegraphs the head master of his "public school," formally requesting that the name of the fledgling be entered for entrance twelve years later.

The infant in its long dress thus wears the colors of his class and learns his college cry. And as soon as he is able to read he is sent to a preparatory school, more or less officially attached to his "public school." There he consorts with boys of the same social leaven. There he meets with companions of no other environment. In a word, when his mind is still in a plastic state, life takes on for him the aspect of a closed corporation with himself enshrined on its board of directors.

Limited Field of Work

AND when the years roll by and man's estate is entered, the seed sown in youth is reaped in the shape of a harvest where "public school boys" gravitate toward fields of endeavor which reproduce the spirit of their childhood. They naturally seek the walks of life which are the special preserves of their fellows. They eschew avocations where their friends are not found. They rivet their eyes upon escutcheons and they steer clear of trade-marks.

This leads them primarily to the army or navy, to the civil service or to the bar. Latterly, it has opened to them the portals of medicine, finance and shipping. It closes to them practically all

other avenues. And automatically the conditions which entail these results shut out from the happy hunting ground of the elect those not to the manor born.

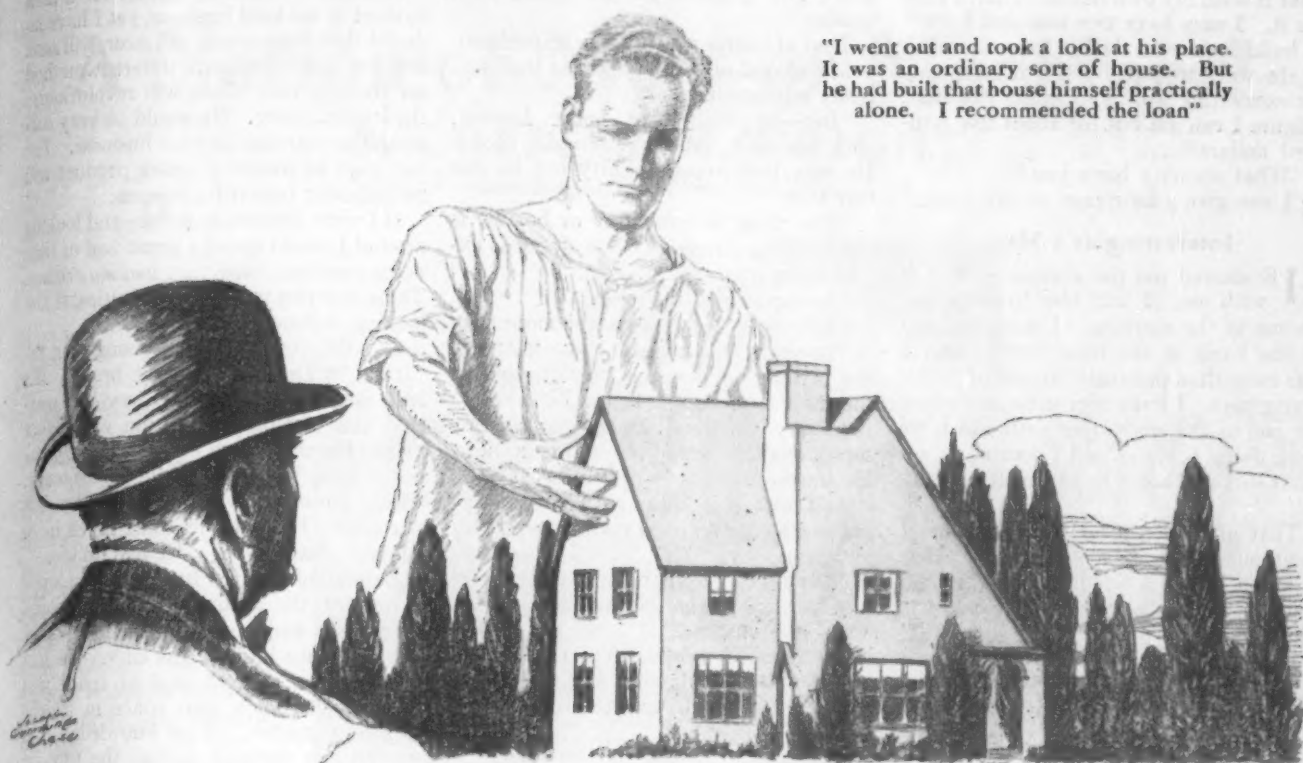
Such a social structure causes British industry to take on a monotone that has no "public school" stamp about it. And

(Continued on page 130)



"Because England sacrifices everything to get a competent government administration at cut rates, the smoke of factories is not as evident as it should be"

course the higher rungs of the ladder could, perhaps, be made attractive to talent. But taxpayers will not put up the money to insure filling the lower steps with the cream of the ambitious and educated youth of the land. To attempt to do so would be to invite state bankruptcy. The Exchequer has its only chance



On Starting a Business

By ELBERT H. FOWLER

Chairman of the Board, Commonwealth-Commercial State Bank, Detroit

Illustrations by Joseph Cummings Chase

A FEW minutes ago a young man came into my office with this story:

"I have just completed four years in college and I want to go into business—for myself. Last night I talked with my father. He advised me to find a place in some large corporation and work up. I don't want to do that. I want my own business. Out of your experience as a banker what do you suggest?"

Before setting down what I told him let me give you a glimpse at this young man's background:

His father is treasurer of one of the largest concerns in Detroit. He has worked up to that position from a clerkship. He is wealthy, as might be expected. As also might be expected, his training in a large organization permits him to see but little chance for a man starting out in life as master of his own business.

His son is a big fellow. Six feet. Weighs two hundred pounds. Played tackle on his college football team. Studied business economics and was graduated with very high marks.

In his thinking he is an individualist and three years on the varsity football team, where teamwork is always demanded, never quite hammered this idea of "individualism" out of his head.

Once, when caught out of position, he snatched up a loose ball and ran for a touchdown. Between the halves, when bawled out by the coach, his only excuse was:

"I scored, didn't I?"

Repeating this story may give the impression that the young man is afflicted with what is popularly known as "a swell head." He hasn't that at all. He mentioned the football incident while I was talking with him. Explained it:

Retrieves Mistakes

I ADMITTED my mistake to the coach, after the game. I told him the opposition had pulled me out of position and the only way there was for me to square myself was to do something unusual. The ball happened to be fumbled. It chanced to roll in my direction so I just picked it up and ran with it. I was sore at the bawling out—it was a peach—because I think a fellow who retrieves his mistakes and makes something out of them ought to be given a slap on the back instead of a kick."

On thinking over what he said, I'm not so sure that there is not some mature sense in it—more perhaps than could reasonably be expected from a lad of his years. He is not yet twenty-three.

What I told him in answer to his re-

quest was something like this: "I think I would do the thing I wanted to do. If you want to go into business for yourself, you probably will be successful. If you don't, you probably will be dissatisfied."

Without digging out the statistics and examining the mortality rates on small businesses—new and old—I still think it is a very advantageous move when a young man, or any man for that matter, starts in business for himself. The responsibility he carries, the problems he constantly meets and overcomes develop resourcefulness.

Certainly there is more responsibility in running one's own business than there is in assuming an unimportant job with a corporation. Resourcefulness is one of the finest attributes any man can have, and I know of no way to get it other than through responsibility.

A few years ago a young man came into the bank, inquired for me, and said he wanted to arrange for a loan.

"How much money do you need?" I asked.

"Five hundred dollars."

"What is your business?"

"I am starting in the building business."

"Had any experience?"

"Some."

"How much?"

"I built my own home. That is, I

built it with my own hands. I have paid for it. I now have two lots and I want to build houses on them. I can do much of the work myself, but I'll need money for excavating work and things like that. I figure I can get out for about five hundred dollars."

"What security have you?"

"I can give a mortgage on my home."

Interesting as a Man

HE showed me the abstract. Left it with me. I told him to come and see me in the morning. I was president of the bank at the time, but frankly I was more than passingly interested in this young man. I knew him to be an auditor for one of the companies with which we were doing business and I wanted to see what sort of a home he had built for himself.

That afternoon after banking hours I went out and took a look at his place. It was a box as a building, not at all attractive, from the outside, as a place in which to live.

I thought to myself:

"If these other two houses he's planning are going to look like that one, I

won't give a nickel for his future as a builder."

That of course was my first impression. My second one—and the one that was really important—was:

"But—he built that house himself, with his own hands, practically alone. He may lack artistic ability but he can buy that."

"The thing he can't buy or borrow is the desire to succeed. That desire is expressed in what he has done."

I recommended the loan.

That young man—he is not more than thirty years of age right now—is one of the largest builders in Detroit—one of the most successful. Today he can borrow fifty thousand dollars by merely scratching his signature across a note. He started in business for himself.

As I look at it, there are plenty of opportunities for a young man to set up his own sign.

Obviously it would be very difficult for him to go into the automobile business. That is a business of large production and enormous capital. Yet E. L. Cord, who is still a young man, has been doing things with the Auburn company.



"The man who has failed in his own business makes the best branch manager," says a chain-store executive. "He has failure to live down"

Perhaps it would be unwise for a man to start in the steel business, yet I have no doubt that some young engineer, will soon develop a proven and a different method for treating ores which will revolutionize the iron industry. He would be very successful in starting his own business. The fact that he makes a better product will be sufficient reason for success.

If I were just out of college and looking around I would spend a great deal of time doing just that thing . . . *looking around*. There are plenty of opportunities, if the looking is done intelligently.

Shortly after the war a young man returned to Detroit. He was broke. His long association with the army had wearied him of close association with other men. He wanted to strike out for himself. But, he didn't have any money. That, however, was of secondary importance. He had something much more valuable than money. He had an idea.

Before enlisting he had been employed in one of the automobile factories and frequently had watched the loading of the machines into freight cars. He had noticed that a great deal of space was wasted. He knew that space in freight cars cost money. This knowledge had started him thinking and all the time he was in France, when he could remove his thoughts from the immediate task of fighting, he was figuring, on paper and mentally.

A Fortune in Small Business

FINALLY he evolved a set of blocks. Once back in Detroit he went to a lumber firm, sketched his idea, and asked whether they could furnish the simple equipment. The salesman told him the blocks could be made out of waste lumber, and the price he jotted down was surprisingly low.

Establishing a flexible contract, the young man then went to the automobile manufacturers, proved to them they could save thousands of dollars every month on their freight rates and got so many orders for his blocks that actually within a matter of a few months his bank balance grew into more than half a million dollars. Across the years that simple idea has made him millions.

So far as I can see, the greatest difference between most large businesses and most small businesses is in the efficiency maintained. A large business, as a rule, is an impersonal thing. The likes and dislikes of men are of little consequence so long as the business goes forward. In the small business the employer is very likely to know his organization, personally, and, usually, there is a disinclination on his part to eliminate waste when it occurs in the form of an inefficient workman. The personal relationship is what keeps him from discharging the man.

I am a subscriber to the viewpoint that there should be sentiment in business. Without sentiment what does life amount to? But, there is no excuse for inefficiency. The fact that an employee is a personal friend of an employer should not

(Continued on page 120)

A Nation of Men—or Machines?

By CHESTER M. WRIGHT

Editor, International Labor News Service

A SUMMER has rolled by since the great storm over unemployment burst upon us with pronouncements and counter pronouncements, figures and counter figures. In these calmer moments it is possible to survey the situation without fearing the effect of either partisan discussion or rapidly changing figures.

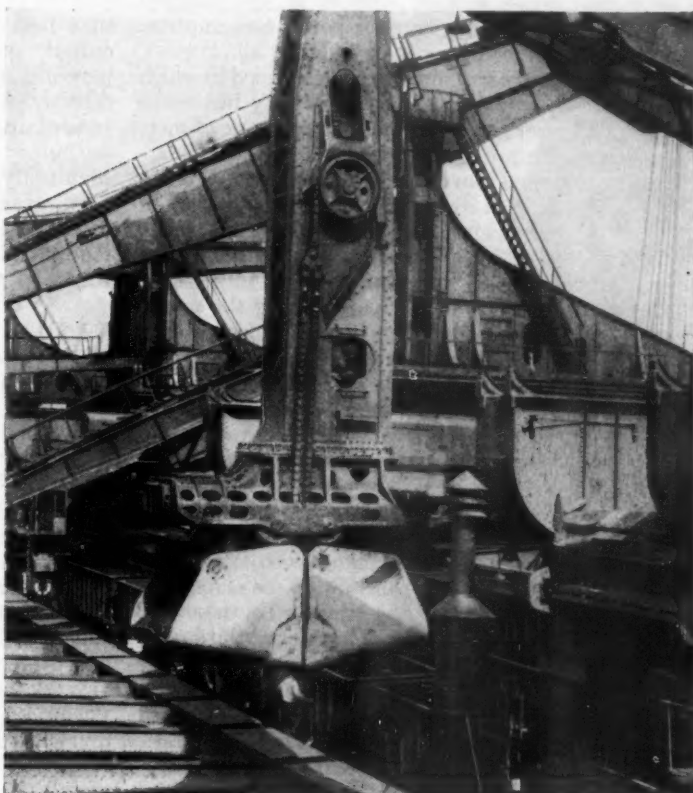
If acute unemployment has diminished materially since those spring days when figures and charges flew back and forth across Washington and out over the country, that more important problem, permanent, or "technical" unemployment, as it is called at American Federation of Labor headquarters, is still with us.

We know little more about the volume of unemployment, sporadic or permanent, than we knew then. We surmised much and knew little then, as far as figures went.

Ethelbert Stewart, commissioner of labor statistics, declared before the unemployment storm had really burst upon us, that nothing like accurate figures could be had, either here or abroad. Soon thereafter the Department of Labor produced figures purporting to show that there were 1,874,000 more persons out of work in 1927 than in 1925, the base year for these purposes. That meant little, because while the statisticians assumed that unemployment in 1925 was at zero, or as near zero as possible, it was in reality not at zero, never has been and probably never will be. Senators at once declared the figures misleading, some of them still maintaining that 4,000,000 was a truer unemployment total.

Secretary Davis has made the statement that there is a "normal" unemployment of about 1,000,000. If that is so, then there are that many "normally" idle today, just as there were that many last spring and a year ago last spring.

The American Federation of Labor,



THE ONE man in the cabin of this seventeen-ton ore hoist replaces hundreds of hand workers. What does organized labor think of this? In this article a leader speaks for labor. Long associated with Samuel Gompers, Mr. Wright is well qualified to present labor's views

which gathers statistics about trade union unemployment in some 23 industrial cities, found a gradual but steady shrinkage of unemployment running through the late spring and summer.

The Federation statisticians recognize two kinds of unemployment, sporadic and "technical," but they cannot draw a line that separates one group from the other. Nor, so far as I know, can any other authority.

Double Unemployment

IT ALL comes down to this: We know that we had acute unemployment last spring, this being due to temporary maladjustments somewhere. And we believe that this acute unemployment was added to and piled upon a permanent unemployment, the two mingling together in a mass total, with no present way of knowing which was which, or where one stopped and the other began.

The American Federation of Labor figures showed that the greatest intensity

of unemployment was found in those cities which were most thoroughly industrial. In January and April, 18 per cent of the union members in 23 cities were idle, Baltimore and Detroit leading with 40 per cent and cities such as Boston, Buffalo, Cleveland, New York, Los Angeles and Philadelphia running neck and neck in a second group with 20 per cent or more unemployed in each. There has been a pick-up since then, as the Department of Labor predicted, and as everybody who looked at the situation with common sense believed there would be. By June the average of unemployment, as shown by the American Federation of Labor figures, had dropped to 13 per cent in the 23 cities.

That pick-up has been bringing the temporarily unemployed back into the market, where wages and purchases again are possible. But what about those permanently unemployed because of improved plant

efficiency, new machines, changed products and the group of similar reasons which are purely the outgrowth of modern production and modern management methods?

Now it is no doubt true, as the Department of Labor predicted in the late spring, that the industrial pick-up, the momentum of which was then being felt, has brought back into production—and consumption—a great part of the idle army. But it has not brought all of it back; perhaps not one half of it. There is the point at which all present statistics fail and it is the point at which we most need statistics. Even now we know little about the volume of permanent unemployment.

From a cold-blooded, long-range point of view, statistics on acute, sporadic, or epidemic unemployment are by no means so important as statistics on chronic, "technical," or permanent unemployment. That, to many minds, is the one thing about unemployment that needs

most to be understood, that is at present most baffling, and that must be understood before there can be any large or lasting solution of the tragic problem of idleness.

Temporary unemployment can somehow be weathered. There may be misery as an accompaniment, and often there is misery of the most distressing character. To be idle, to find no job, no hope, no chance to earn money, day after day over weeks or perhaps months is no joke. In almost every other misfortune in life there may be humor. Men even laugh in the face of death. The lingering pull and misery of mere joblessness takes away all the fun. But sentiment will not bring forth the cure.

Public Works Won't Help

NOR will those expedients which are offered to relieve acute unemployment, such as the rushing of public works, do very much to help the nation understand or cure its more important, more desperate and rapidly enlarging problem of chronic unemployment. In almost every plan and discussion concerning unemployment, the temporarily unemployed as a rule get all the best of it. In a relatively short time they are cared for, but the permanently unemployed know not where to turn.

We had in April of this year, if we accept the government figures, 1,874,050 more idle workers than we had in 1925. Add dependents to that figure, to give it its full meaning in the market. I am not relating this problem to the market because I wish to be cynical, or materialistic, or commercial. I am doing it to make it mean as much as possible in the economic life of the entire nation, which is conceded to be of supreme importance.

We have no way of knowing how many of the workers involved in the unemployment total were out of work because plants were partly or wholly shut down for lack of business, and how many were out of work because machines had come to take their place. It is sheer idiocy to think we shall get anywhere permanently in adjusting or curing the problem until we can get statisticians to find and state the facts in their proper order, to put idle workers down in their proper column. That is no easy job, to be sure, but its difficulty cannot be accepted as a sufficient excuse for its neglect.

One recent writer, after a considerable study of the wage and employment situations, has made the statement that the increase in the use of power industrially has not been sufficient to make any considerable difference in the situation. He fails to understand that the mere use of power, by itself, is not what accounts for

the enormous increase in per capita production and for the supposed increase in permanent unemployment.

The increase in per capita production is largely accounted for by more efficient machines. It is also accounted for by increased worker-efficiency. Plants may, and do, replace their entire machine outfit, bringing in machines that vastly increase output, without in any material sense changing their power consumption. Use of power is no index at all.

We are going through a period in which new and improved machinery has taken over more and more of the work of men. We are going through a period of marvelous invention in industry. We remain in its midst and we must expect an ever rising curve of machine efficiency, which means an increasing curve of displacement of men, per unit of output. That is where we are getting the unemployment problem that is going to hurt and puzzle and unsettle.

Along with this growing wedge of unemployment through machine perfection, we have had two other interesting and purely American manifestations. There has been a growing stabilization of employment among those not displaced and there has been a general failure to enforce wage reductions along with unemployment. On the contrary, in the main there has been a rising wage. To these two

big facts a third must be added, for it has been the wonder of the world—lowered prices of commodities per unit of output.

Now what is to be made of that array of facts which seem like possible contradictions, but are not? How many have found an answer? Here is one case, where "four out of five" do not have it! The trouble is we have black magic go-

ing on all around us and our eyes haven't been quick enough to see through the tricks. We know how to go ahead as we have been going, but we have no side motions with which to grasp collateral facts as they whizz by.

While we do not know exactly what has been taking place in the matter of creating what we may still call permanent unemployment, or disemployment, by reason of machine replacement, we do have some index of its importance. One authority, perhaps as good as any now engaged upon the subject, offers us evidence to show that starting with an index number of 100 in 1914, we have now reached a point where the index number, showing increase of production over increase of employees, is 170. The output to the man has been rising to that extent since 1914.

What we still do not know is whether the line representing employees is to be interpreted in terms of growing employ-

ment, or growing unemployment. In other words, we do not know how many men were thrown out of work by the astonishing growth in output to the man.

But elsewhere we get some figures that help a little. From Ohio come official figures to show that in construction there has been an increase of 11 per cent in output, with a decrease of 15 per cent in number of employees. In most industries such figures as there are show gain in output and decrease in numbers employed. It has already been shown sufficiently that specific devices have increased to an almost miraculous extent the output per man in various industries. Manifestly, obviously, to a certainty beyond question, machines are replacing men. Examples are too numerous and too well known to need repetition here.

Higher Individual Output

WHAT has been taking place in industry has been taking place in agriculture. Most persons will be surprised, I imagine, to know that the increase in individual output has been nearly as large in agriculture as it has been in industry. This is not true of all agriculture, but it is sufficiently true of some agriculture to bring the average almost up to the average of industry.

Let us add one more element to the summation we have just had, which included individual growth in efficiency or output, replacement of men by machines, growing unemployment and dropping retail prices. Let us add that profits and dividends have been enormous. Money surpluses have piled up and in many cases have shot up like rockets.

How long can these anomalies live in the same house without producing confusion?

We know only one thing surely: that our present general direction has been and still is in the line of trouble. We see the symptoms, perhaps only vaguely, but with sufficient clearness to warrant concern—more concern than is being shown generally. We see that we are heading for the rough, with a widening army of men permanently displaced from their accustomed employment.

Permanent Employment Needed

WE KNOW that we have a large army of unemployed, which we may reduce, so far as its sporadic element is concerned, by emergency measures, but whose growth we are not able to prevent or cure where its chronic element is concerned. Unless we find at least some check for chronic unemployment, we shall inevitably add to the total of unemployed until we reach a point where emergency measures will lose nearly all virtue.

It is very much like building a dam half-way across a stream, expecting thereby to stop the flow. Of what avail is it to shout, "The flood can't touch you," to a man in the path of a terror like that? He knows he's going to be hit. Some way must be found to build the dam all the

(Continued on page 174)

“WHAT our employment problem needs is not guess work and charity but science and cure. It is not a problem of the poor and witless; but of our national economic and industrial fabric. It is not just sentiment; it is national well-being”

The Man Who Hired Eiffel Tower

By LELAND STOWE

Paris Correspondent, The New York Herald-Tribune

ANDRE CITROEN, who in less than nine years has earned the title, "the Henry Ford of France," is probably the closest French counterpart of the American big business man who has pushed his way to the top in the industrial world

SHOULD you ascend, almost any summer evening, from the Metro entrance at the northwestern corner of the Tuileries Garden and turn to your left along the Place de la Concorde, you couldn't fail to see sudden jagged flashes of light, ripping fast and high across the night like a terrific lightning storm just above the blue-black rim of chestnut trees along the Seine.

The fiery stilettos scarcely have dropped out of the sky when a pillar of flame rises from the shadows of the Seine. It seethes up and up, six hundred, seven hundred and finally nearly a thousand feet into the night. And as swiftly, like a high-powered fire hose in full play, a gigantic bubbling fountain extinguishes it.

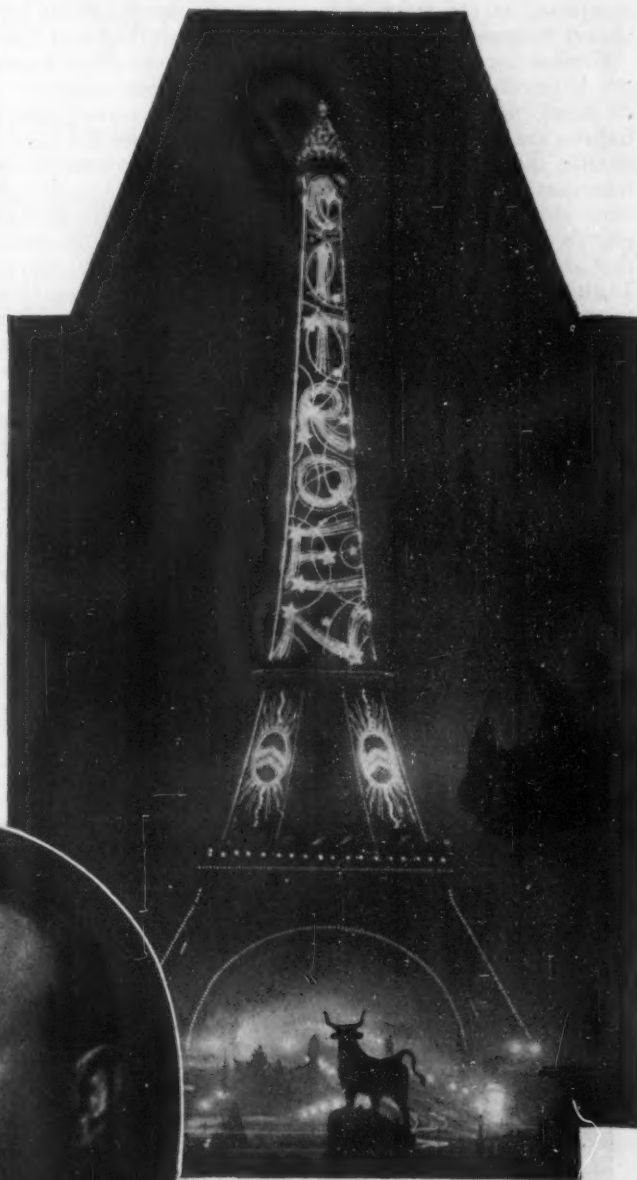
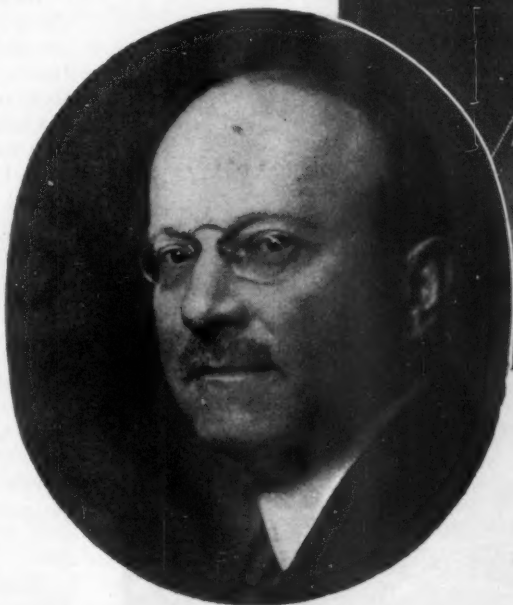
A moment of barren darkness again. Then from the peak, to which this fire and lightning have sped to vanish, new lights burst forth and race downward, this time in alphabetical rhythm, forming a gleaming even-lettered word against the night.

The word is *Citroen*. The column is the Eiffel Tower. The sign is the highest and one of the largest electrical advertising signs in the world.

Andre Citroen, who in less than nine years has earned the title, "the Henry Ford of France," writes his name in 200,000 electric bulbs across the Paris sky three or more nights a week. He has secured for commercial exploitation one of the most prized tourist landmarks of France. He is probably the closest French counterpart of the American big business man who has pushed his way to the top rung.

Andre Citroen was born in Paris fifty years ago. At twenty he entered the *Ecole Polytechnique*. Hardly had he finished his studies there when he organized a factory of his own, with a personnel of ten workmen, to manufacture hand grenades. It was this decision, more than

anything else, which shaped the career of the man who stands at the head of French industry today. For his experience as a manufacturer of munitions placed Citroen in a position to be of service to France during the war. And the plants which he built in those years supplied the basis for his great automobile plants organized since the war.



"The rental and maintenance of the 200,000 Eiffel Tower lights cost 1,500,000 francs (about \$60,000) a year. That's the cheapest and best advertising I ever had"

automobile production. When he made his first voyage to America in 1912 he returned with his mind filled with more ideas concerning industrial organization and management.

When the war broke out, Citroen enlisted as an artillery lieutenant. But his genius for organization refused to be stilled. With French industry lamentably disorganized, Lieutenant Citroen in 1915 advanced a plan to his superiors for constructing a plant which would greatly reduce the shortage of shells. France was

In four years Citroen had made a pronounced success of his hand grenades, so much so that soon he established a plant in Moscow and later another in Austria-Hungary.

In 1908 he was asked to reorganize an automobile concern, and thus his attention was first fixed on the possibilities in

in dire straits for ammunition. Citroen's scheme offered a guarantee of producing 50,000 shells a day within a short time.

The French Government accepted the plan, and Citroen entered the field of big production. It was necessary to select a site, construct everything from the ground up. Most difficult of all, it was essential to recruit skilled workmen or to train unskilled workmen. In a country fighting with its back to the wall and all its best manpower at the front, this seemed an almost insurmountable problem.

Citroen accomplished the task. The site he selected was in Paris on the *Quai de Javel* beside the Seine. *Les Usines Citroen* are located there today. In a few months the factories had been built and munitions machinery had been imported from abroad and installed. Rapidly the plant's production rose to 10,000 shells a day and finally to the promised 50,000. During the rest of the war Citroen maintained that output, contributing in no small measure to the effectiveness of French gunfire. By the dawn of the Armistice this Citroen-built and Citroen-directed plant had turned out more than 28,000,000 shells.

Reorganized the Arsenal

MEANWHILE, the French Government had asked M. Citroen to reorganize the arsenal at Roanne, which was then manufacturing only 30 shells daily. Here again, in a few months, this industrial dynamo of France wrought magic, and the arsenal's production leaped upward to 55,000 shells a day. Every governmental facility was placed at M. Citroen's disposal. But the Government

could not supply the power for organization which determined the final results.

With the war's end M. Citroen had under his direction a tremendous plant employing more than 13,000 workmen. What should he do with it? In America there was a man named Ford who manufactured autos in what the French call *en grande serie*. There were other American automobile kings who had followed in his footsteps and were now reaping the same harvest of mass production. No one had ever tried it in Europe. M. Citroen asked himself: "Shells by the thousands—why not automobiles? If they can make it pay in America, why not in France?"

As a consequence the Citroen munition plant, a vast enterprise founded and developed in three years, underwent the tremendous reorganization necessary for it to become a paying peace-time concern.

Staggering changes in machinery had to be made. They were made. Great financial risks had to be faced. They were taken. There was here nothing of the caution in business innovations which is so characteristic of the average Frenchman. Here there was the burning energy of a born industrial leader—the faith of a man who knows that power begets power.

To anyone taking account of the innumerable changes Citroen had to make, it seems almost incredible that the first Citroen automobile was completed June 4, 1919—less than seven months from the time the same factory had been turning out 50,000 shells daily. Within a few days 40 Citroens daily were emerging from the plant on the *Quai de Javel*.

M. Citroen had planned an output of 100 cars a day, and he attained it. But after his trip to America in 1923 and his study at first hand of the Ford plant in Detroit, he returned to Paris determined to increase this production by American methods. Chain conveyances were installed throughout the Citroen assembling plants. New machinery which would increase speed and efficiency was added.

Since then the Citroen production has jumped to 400 cars a day—an output unequalled anywhere else in Europe.

Growth of Business Amazing

THERE are now four or five other Citroen plants besides the several factories located on the *Quai de Javel*. In June, 1919, the number of employees was 4,500. In 1924 this had increased to 15,000. It is now more than 31,000.

I went the other day to see this "Fordized" Frenchman who has blazoned his name in letters, each 30 feet high, upon a column 234 feet higher than the Woolworth Building.

It was 9:45 in the morning. An American millionaire might not be expected to be more seasonable in his appointments than that. A French companion and I drove along the *quais* of the Seine, past this same *Tour Eiffel*, to the *Quai de Javel*, where five or six huge buildings form the headquarters and assembling plant of *Les Usines Citroen*.

"See," said my companion as we halted. "There is the river for shipping his cars by water. Here is the railroad along the bank. And here, just across the road, M. Citroen's plant. Even you Americans could not have better business foresight than that."

We entered a lobby, spotlessly neat and gleaming with efficiency. On the right five girls were busy at a telephone switchboard. That was something to hold attention, by reason of the new and very modern telephone equipment. The American traveler on the Continent learns to expect little from French telephones.

Still making mental calculations on these apparently trivial things I followed up the stairs. Not long afterward we were ushered into the office of the man who hired the *Tour Eiffel*.

The man who greeted us was of average height with sparse graying hair, and keen brown eyes which narrowed slightly, betraying a native shrewdness. He wore a closely cropped mustache above thin, extremely straight lips. And more pronounced than all were the swiftly decisive and energetic movements one expects to find in the keenest American business man.

"Has my secretary given you all the information? The booklets about our plant and the circulars?" M. Citroen demanded crisply as soon as we were seated.

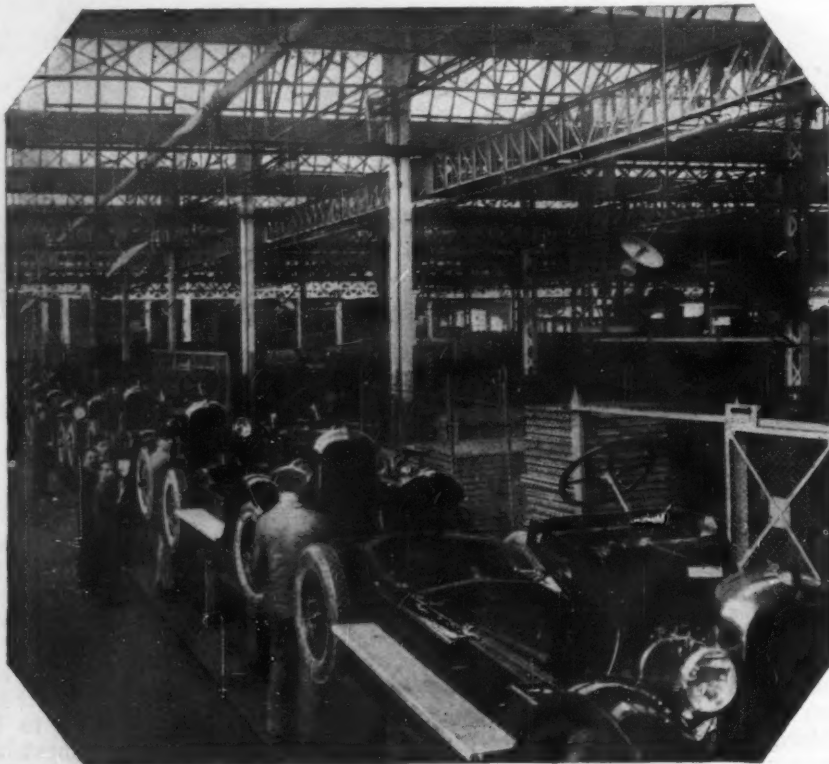
I assured him that he had.

"Then after that what can I tell you about?" asked M. Citroen, with the air of a man who counts minutes.

"About yourself," I said.

"Do you know about my newspaper?"

(Continued on page 142)



After a trip to America to study the Ford plant, Citroen installed machinery for mass production and jumped his output to 400 cars a day. He believes in American methods

The Cost of Weather

By CHARLES FITZHUGH TALMAN



Ruin sweeps onward from the skyline as the sinister funnel of a tornado lashes in fury over a town in the Middle West



Here once was Griffin, Indiana, a village of 350 souls. In one minute the tornado of March 18, 1925, razed the town, injured 200 persons and killed 55

WHAT does weather cost us? It is an amazing, incredible fact that nobody knows or has ever even attempted to find out!

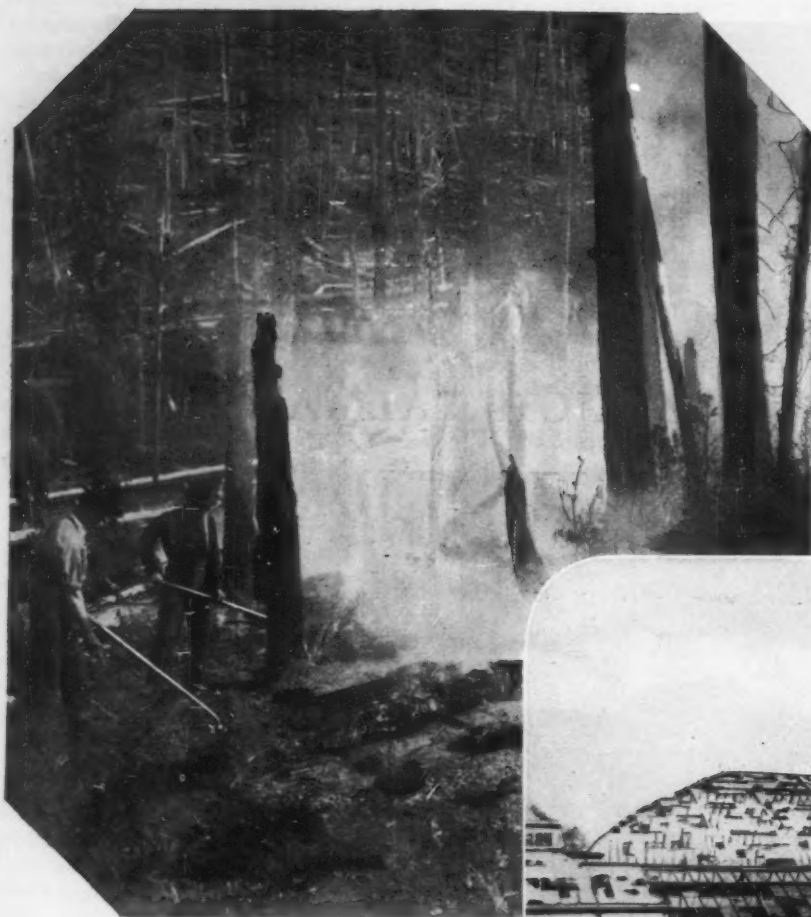
All humanity gains and loses by weather. In the conduct of every man's life, every business, every industry, weather assets and weather liabilities are recognized but not gauged, except in an imperfect, fragmentary way. On both sides of the account the figures are large—but we do not know how large. Here are a few suggestive examples of weather costs:

Some years ago the International Institute of Agriculture gathered statistics of hail losses in certain countries. These indicated that hail costs the world on an average about \$200,000,000 a year. Later figures seem to show that this was an underestimate. The United States Department of Agriculture has recently stated that ten leading agricultural crops in this country alone suffer by hail to the tune of \$47,500,000 in an average year. Yet hail is a minor item among weather visitations.

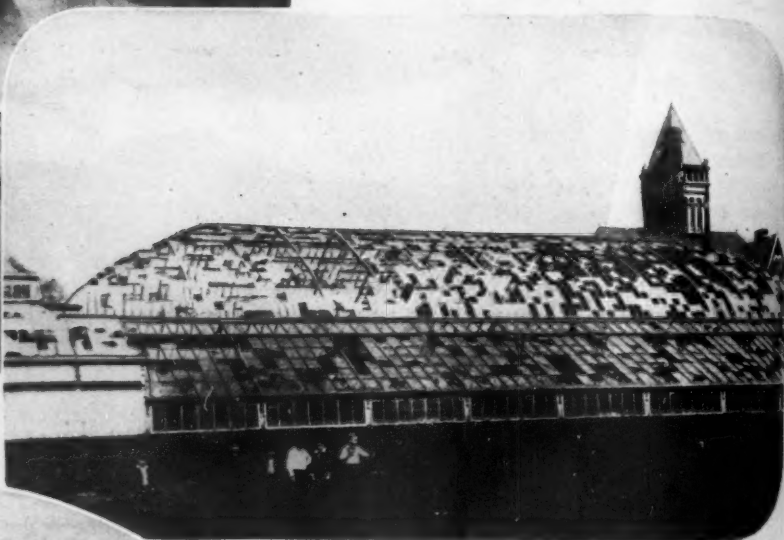
The success of the American corn crop has been found to be vitally dependent upon getting the right amount of rain in



"The chill embargo of the snow," of which Whittier sang, is an annoyance in the modern city street, costly to abolish, but much more costly to endure



"Fire weather" is a term in the vocabulary of disaster. Because low humidity and high winds vastly increase the fire hazard in the forests, the Weather Bureau, forestry officials, and the lumber industry have inaugurated a nation-wide system of *fire-weather warnings*



Hail gladdens the heart of the glazier. Here is the result of a five-minute pelting by the mischievous urchins of the clouds with their thick falling pellets of ice

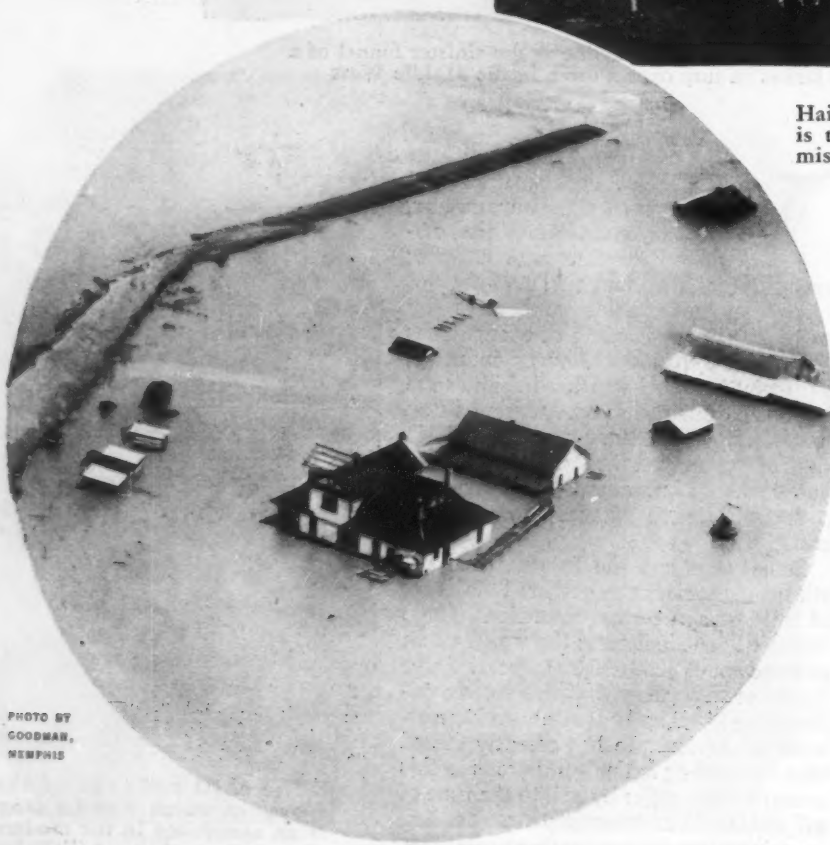


PHOTO BY
GOODMAN,
MEMPHIS

The Mississippi flood of 1927 took terrific toll of life and cost in property damage \$350,000,000. Here is the result of a crevasse in the levee at Knowlton, Ark., April 21, 1927

the month of July. It has been computed that a deficiency of half an inch during that month—not a drought, but merely a somewhat subnormal supply of moisture—reduces the value of the crop in four states of the Corn Belt by \$150,000,000. This figure has been a subject of controversy. It may be too high, but it is certainly correct at least as to the "order of magnitude."

An actual drought is a more serious matter. There was one in Persia in 1918. The crops failed and one-eleventh of the entire population of the country died of famine. What is a human life worth in Persia?

The new campaign of snow removal on rural highways in the United States is costing nearly \$5,000,000 a year. New York City has spent as much to keep its streets clear in some recent winters. Several other cities pay in proportion. These outlays are fully justified. The alternative of letting the snow lie would be vastly more expensive.

Each winter Nature produces some

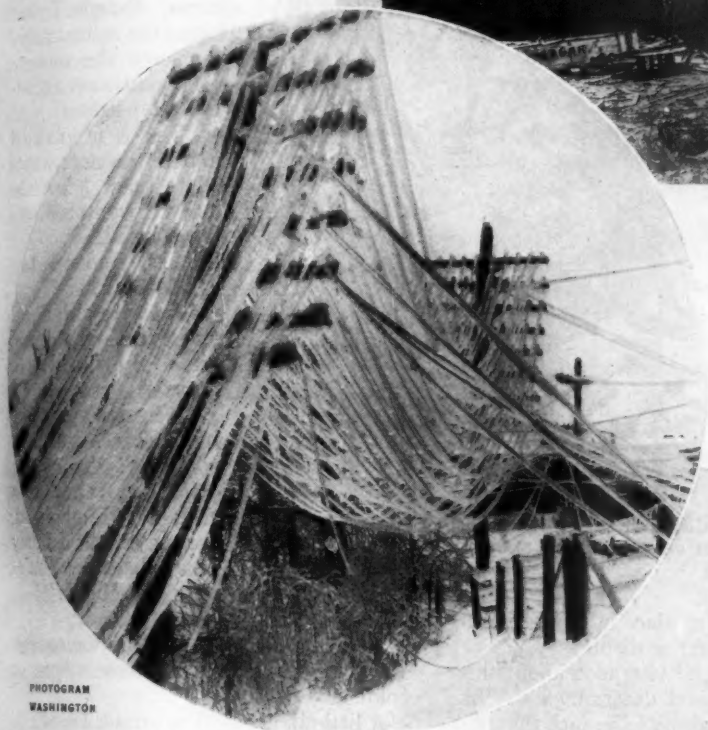
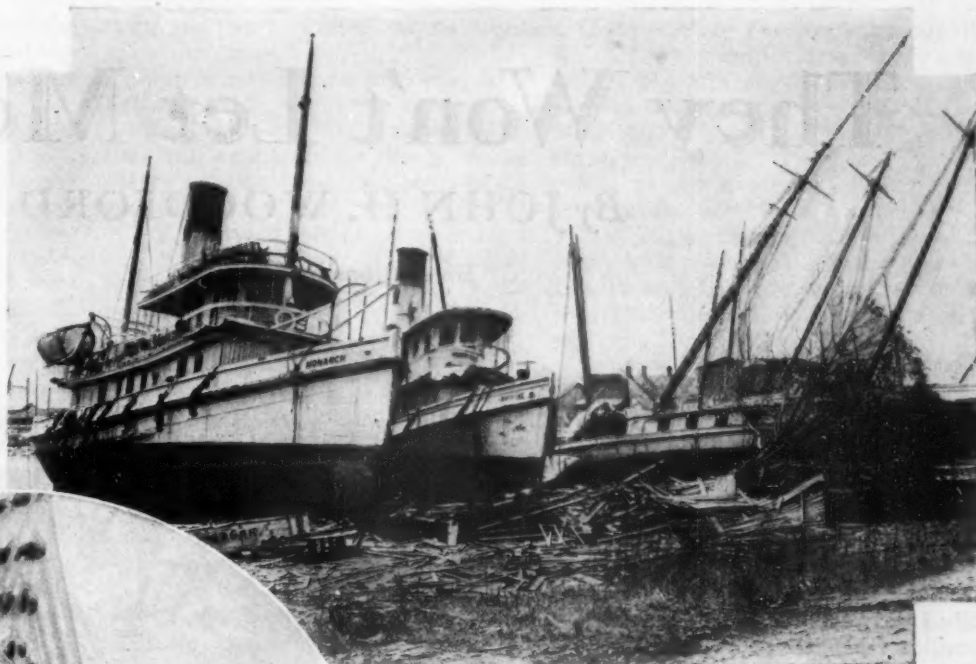
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Tropical hurricanes toss ships scornfully ashore and ravage our southern coasts. Here is a typical waterfront scene in Florida after the angry winds have spent their wrath. Death and desolation ride on the tempest



Though wire and twig are "ridged inch-deep in pearl" after the ice storm, the beauty of the scene is purchased every winter at a cost of millions. Each pole in the picture is groaning under a load of seven tons

PHOTOGRAM
WASHINGTON

dazzling exhibits of the icy jewelwork that plays havoc with wires, poles and trees. They cost millions per annum. Perhaps they are worth the price. A full-fledged ice storm is a lovely spectacle.

Lightning struck a Navy magazine near Dover, New Jersey, July 10, 1926. The resulting explosions wiped out \$93,000,000 worth of property. In April of the same year lightning fired several oil-storage reservoirs in California. The losses were \$20,000,000.

Not long ago a dense fog hung for five days together over the English Channel. All shipping was held up in the Thames estuary and the time lost was estimated to be worth \$5,000,000.

The St. Louis tornado of September 29, 1927, cost possibly \$50,000,000. Florida suffered losses of \$200,000,000 or thereabouts in the hurricane of September, 1926. The Mississippi flood of 1927 came higher—around \$350,000,000. What is the aggregate cost of weather, year by year?

It would help stabilize the world's business if we knew.



Lightning does this many times every year. The protection of oil-storage tanks from thunderstorms is an outstanding problem faced by modern electrical engineering experts

They Won't Let Me Buy

By JOHN H. WOODFORD

Illustrations by Stuart Hay

SOME time ago I formed the habit of strolling down to the corner cigar store for a package of cigarettes ostensibly, but really to talk to the old man from Wittenberg, Prussia, who owned it.

We used to discuss everything from theology to Kepler's law. Usually I was "all wrong," in whatever position I happened to take during these discussions. I cannot imagine anything more refreshing than the daily arguments we used to have over the counter. I early discovered the times at which he was most likely to be without a rush of trade and found myself looking forward to these philosophic interludes each day.

And then, suddenly, my cigar-store friend died, and I discovered an amazing thing. He left a gap in the neighborhood that was out of all proportion to the proper economic value of his existence.

On all sides I heard expressions of regret at his passing. I asked some of those who mentioned him if they were able to name the alderman in our ward. Few of them could. I couldn't. But we all knew the old tobacconist's name.

Sentiment, I think, is usually rather silly; one comes to believe so, at any rate, when he finds out how easy it is to sell sentiment to people who read magazines. I told myself firmly that a store was a place wherein to obtain merchandise—not a place to conduct a Socratic debate.

A modern man full of efficiency would shortly take over the store, I felt sure. I was fully prepared to give my patronage, whether or not he would stimulate me by listening to my talk and violently disagreeing with me.

For years a chain drug-store corporation had coveted the location. They swooped down upon it now and opened resplendent, like a circus. The store specialized in almost everything, except drugs, which latter occupied a



No! And I don't want a hot-water bag or an umbrella or an automobile spotlight either

very insignificant place in the astonishing interior and exterior displays.

I walked in one afternoon about thirty, bound and determined to "like" trading there, despite the fact that those among my neighbors whose opinions I value most declared they couldn't stand the place. Sentimental, they were, I told myself; still thinking of the old man.

Silly. Modern progress. Great thing. One ought to keep up with it.

"Package of Nobites," I said to the clerk.

"Yes, sir," he snapped, violently exuding Service. He secured a package of Nobites and slapped it at me faster than I had ever seen cigarettes served before. Paying for the package and receiving a loud and challenging, "Thank you!" I turned to go. But, alas,

"Your matches," sir—they're free.

You'd better take them." Somehow I dared not refuse to take them, though I had long since indefatigably mastered the successful operation of a modern cigar-lighter.

"You a married man?" the clerk wanted to know, when the matches were obediently pocketed.

"Yes," I admitted.

"Got any kids?"

"A little girl, aged ten, free, white and more than a little frisky."

"Why don't you take her home a bowl of goldfish?"

"Now, that's a thought," I admitted, "or maybe she'd fancy a tame basilisk. You're very thoughtful."

Not to be trifled with he said:

"Now, no kidding. I'm on the square. Why don't you take 'er home a bowl of goldfish?"

A little irritably, I'm afraid, I said:

"Why don't I? I'll bite—"

"We're giving away a bowl of goldfish with every purchase of a dollar's worth of merchandise," he explained.

War Drives Carried Over

HOW shall I tell you, on paper, that he managed to convey the suggestion that there was something patriotic, even religious, about my obligation to become possessed of a bowl of goldfish. There was, indescribably, about him, an echo of "Help Win the War—" by buying only American-made knives . . . all that sort of thing—if you get what I mean. It is too subjective ever to be crammed within mere words.

"Sorry," I told him, "but my wife gets her fish at the butcher shop."

This nonplussed the young gentleman considerably. I could see that he considered me in some vague way unAmerican and unbooster. The whole gesture was an attempt to "carry on" the "drive" spirit which was so successful in digging dollars out of pockets during the war.

On the way out of the store I saw a display of diminutive glass globes, about



I'm sick of thinking up a line of sales resistance

the size of a husky doorknob, containing some wiggling red dots that looked like germs. These were the goldfish that were being given away.

About a week later I returned to the store.

"Don't be absurd," I said, taking myself firmly in hand. "Old Hans, who sold cigarettes and had heard of Antiochus Epiphanes, was an anachronism. Times change. You ought to change with them—or first thing you know, you'll get old. And, besides, probably after you get used to it, you'll like the new, brisk service far better. After all there's no getting away from the fact that the store is a great deal more businesslike than it was—and there's no denying that a store is a place where business is, or by right ought to be, conducted in a brisk, efficient manner."

This time there was a new clerk on duty.

"Nobites," I said, crisply, determined to play the game.

"Yess'r!" With appalling alacrity he materialized them and slapped them at me. I wondered what the chain-store proprietors would have thought of poor old Hans, if they had disposed of the first young man, who had been there previously, because they considered him not speedy enough.

"Live in the neighborhood, sir?" this clerk wanted to know, as he forced his paper matches—with the store's advertising imprint upon them—into my possession.

"Yes, I do."

"Well, lookit: I'll give you one of these here new cards. Bring it to the store with you, every time you make a purchase, and when you've bought ten dollars' worth of stuff, you got a dollar's worth of merchandise coming free."

"Tell you what I'll do," I returned. "You keep the card and take care of it for me—for I'd be sure always to lose or forget it—and in return for that service, I'll give you the dollar's worth of merchandise I have coming, after I've purchased ten dollars' worth of your stock."

By the time he had untangled this idea I had made my escape.

I noticed, on the way out this time, that he had a box of bottled olives prominently displayed upon a counter near the door. They were marked: "27 cents!"

Reaching home, I asked my wife how much she paid for a bottle of olives at the grocery store.

"From thirty-cents up," she replied.

"Well," I informed her, delighted at my advantage over her vaunted ability to shop cautiously, "if you were a clever housewife, you'd get your olives at the drug store; they're only twenty-seven cents a bottle there."

"But," she returned, defensively, "I never go to the drug store. I get my cigarettes at the chain grocery, because I can get two packages for a quarter

there, and they cost fifteen cents straight at the drug store."

Unprepared for such keen rebuttal I hedged:

"Well, what the dickens do you go to the chain cigar store for then? You're always bringing home cigar coupons for our offspring..."

"Oh, I drop in once in awhile to get a box of candy. They sell good candy cheaper than any candy store in the neighborhood."

Stockings in the Candy Store

"AND what," I begged, "is the chain candy store up there on Mohair Street good for?"

"Well, they've got some marvelous looking silk stockings for a dollar and a quarter a pair, all neatly wrapped up in sanitary paper and marked with the size. They say fellows dropping in to buy candy for their girls often take along a pair of stockings, too. If I bought a dozen pairs there I could—"

"Take home a little puppy free?"

"Don't be silly. That's cheaper than you can get that kind of stocking anywhere. It's just a temporary sale they're having."

It was fully three weeks before I again summoned up courage for my last visit to the chain drug store. This time there



I found myself looking forward to these philosophic interludes

was still another young man in charge.

"Say!" I demanded, "what's the idea? Every time I come in here there's a different clerk."

"I guess, sir, they switch us around so we won't get to talking to the customers. I no sooner get to like a few people in a neighborhood than they send me clear off in some other part of the city."

This seemed a thoroughly likable young chap. Being the only customer in the store at the time, I persisted in my garulosity:

"But, wouldn't it be rather a good thing for the customers to like the clerks?"

"I suppose so; but you know how it is. . . . If we talked too much to the customers, the firm might have to use an extra clerk—so, you see . . . not that I'm hinting . . . course it's all right when the store's not busy."

Still no one else came in, so I ventured further to cut down his efficiency.

"Tell me, as man to man—what kind of stock do you think a snappy men's haberdashery ought to carry these days—with shoe stores carrying suits and overcoats?"

He gave me one of those indulgent glances the insane would recognize too well.

"I should think that a line of candy might do well, in a real snappy haberdasher's. Men always feel kind of sheepish when they spend a lot on themselves for clothes, and they'd take home a box of candy to square it with the wife. I should think, too, that in a men's furnishing store, during the summer, a line of fishing tackle would—"

"Of course," I put in, "it might be well for them to carry some men's furnishings, too, as leaders, to attract the trade to their cigar lighters, and other hardware . . .?"

A customer came in at this juncture and my friend, with an apologetic glance, flew to serve him.

"Auks," said the newcomer. It was about five o'clock and he looked tired and worn out, as though he had just come from work. The clerk handed him his Auks, and then asked:

"Ever smoke a pipe, sir?"

Good Sales Resistance

"NO!" roared the customer. "And I don't want a hot water bag, or an umbrella, or an automobile spotlight!"

I left the store, never to return.

Nearly three blocks from my home is a cigar store. It is *not* a chain store. The service there is terrible.

On the first occasion of my visit to this store I attempted to start a conversation with the proprietor, but he replied in so hopelessly verjuiced a manner that I knew we could never learn to argue amicably and vehemently.

Another customer in the store at the time grinned at me. I waited for him outside, recognizing him as one of the quondam auditors who used to listen with delight to old Hans' denunciations of my notions.

"How is it you come all the way down here to buy cigarettes from that rheumy old gent?" I asked.

"When you go in there he gives you what you ask for, without saying a word, and I'm sick to death of having to think up a line of sales resistance every time I go to buy a package of cigarettes."

"So am I!" I told him fervently, "but we're both bolsheviks, I think."

"Well," he argued, "I don't care. I don't care for 'Service.' And I don't give a damn for getting a package of cigarettes for a cent less, if I've got to explain why I don't want to buy a flashlight that looks like a fountain pen."



To peddle peaches in the narrow streets of Venice, the sturdy grower transports huge arm-slung baskets of fruit long distances

★ ★ ★

Balancing a big basket on her head, the Sumatran girl offers food to tourists in Padang. She can use both hands in making change



So trussed that he can only squeal a scornful "weak" at his bearers, this little pig goes to market in Indo China



EWING GALLOWAY, N. Y.



It is a chilly job for the trapper to carry to an Alaskan trading post in midwinter the pelts he has worked for months to acquire

The Other Half

Americans have become so thoroughly accustomed to modern transportation that they take for granted the presence in the shops of all manner of supplies



Through the narrow gates into the hill streets of Jerusalem the Bedouin girl leads her wool-laden camel today just as her ancestors did centuries ago



The pack of powerful Malemute or Husky dogs drawing the sledge is the only practicable means of transportation over the snow fields



Forty cocoanuts with thick outer shells are a tremendous load even for the tough shoulders of the Javanese

Goes to Market

In far corners of the earth, however, up-to-date conveniences are unknown and merchants obtain their wares by picturesque but hardly expeditious means



Bananas are high in Uganda, East Africa—if the native bearer who brings them to town chances to be tall

★ ★ ★

Not with fragrant flowers is the Venezuela rancher's burro bedecked. He is carrying festoons of pungent garlic



In old Madrid, where the bull in the arena furnishes thrills for thousands, his brother the ox toils before a lumbering wagon heaped high with bags of wool



EWING GALLOWAY, N. Y.

When Busy Men Retire

By W. L. BLAIR

OUR town, situated in Southern California, is a workable laboratory in which to study the material and psychological phenomena of retirement.

Sitting in a secluded office in our town is a dignified, middle-aged man who was educated in law and acquired a fortune in the lumber industry. For several years he has been working every day at a job that gives him more of a thrill than either law or lumbering. He has been building a great scientific school. He has given the school about five million dollars, but this is the least of his gifts. His greatest gifts have been time, business ability and extraordinary vision.

This man has many associates, not a few of whom are retired business or professional men, but he is the one who is always on the job. He believes the chairman of a board of trustees, no less than a lumberjack, should put in a full day's work for a full day's pay. His pay, like that of most successful men, is an achievement. Earlier in his life, perhaps, achievement meant individual gain. But now he is retired.

Many men are unable to retire because they can find nothing to do that is as interesting as what they are doing. Real success in retirement appears to require thought and preparation. Even so, there are great opportunities in it for bright young men of sixty or so who have put by a little money.

Talent for Leisure

WHEN Irvin Cobb looked us over and wrote of our middle-aged men sitting about on hotel verandas, listening to the hardening of their arteries, he did not begin to tell the story. It is true that in this genial atmosphere a few of our retired folk have acquired a genuine European talent for leisure, and that others are discontentedly seeking strange remedies for the ills of vacuity. It is true also that at the other extreme are men who emerge, quite unreconstructed, from trial retirements of from six weeks to six months. These launch large business enterprises, erect office buildings, open oil stations or become real estate salesmen, as the scope of their imaginations and the condition of their finances may suggest. Both these classes are made up of those who lack the

stamina necessary to fit them for successful careers as retired men.

A man who has a good, serviceable hobby fares much better than either of these. Such a man, as a rule, may safely retire. Golf has saved many, because golf is a struggle for the unattainable par. The man who has not succeeded in "breaking ninety" cannot consent to curl up and die until he has this achievement to his credit.

Besides, golf has its big business angles. Retired business men largely administer the affairs of the numerous golf clubs of Southern California.

Many retired men hereabouts find happiness in their flower gardens or, more ambitiously, their orange groves. Raising chickens and rabbits seems a homely enough occupation to most of us but it has its devotees among our men

of leisure. It has even attracted to our suburban acreage a retired prince of the royal house of Denmark.

In many cases the retired man apparently chooses his hobby by the rule of opposites. I know one man who for many years was a professor of mechanical engineering and dean of an engineering school. In those years his lightest form of expression was a monograph on machine design. Now he studies birds and stars, and gives himself over to the luxurious dissipation of painting California landscapes in water colors.

An almost endless variety of such specimens may be found in our collection of retired men. Many of them are doing a share of kindly, helpful things as they amble along on their hobbies. But there is an increasing number of those who, like the lumber man at the college, are making almost a profession of unpaid public service. Not all of these are wealthy. Most of them, in fact, are men of such modest estates that they do not need to devote a great deal of time to looking after their investments.

Here is one who retired from the wholesale paint business in Boston in 1896 on account of illness. Regaining his health, he re-entered business in the West and again retired a number of years later. A Harvard graduate and a man of the highest ideals, he has given his time to the development of a score of community interests. When our town adopted a director-manager form of government a few years

ago, this man was chosen chairman of the first board of city directors. The salary was ten dollars a meeting, not to exceed fifty dollars a month. All that was required of the chairman was to preside at meetings of the board, but this chairman put in about eight hours a day, five days in the week, for four years. Now, having retired once more, his only job of importance is that of unsalaried president of an association of municipalities which proposes to construct the world's largest water distributing system.

One of this man's successors in office, the present chairman of our board of city directors, is a retired attorney. The salary remains the same but the duties apparently have increased, for the incumbent works six days a week instead of five. Many of his evenings are spent at civic gatherings, which often take the form of banquets. And still, like his predecessor, he enjoys the job.

Some Retired Men Useful

A RETIRED patent attorney of Washington has found a modest but sufficient vocation in our town by serving as secretary or treasurer, without salary, for several civic and charitable bodies, including the Community Chest. Very unostentatiously he has made himself one of our most useful citizens.

From the development of large mining interests in Arizona to the leadership of Boy Scout activities in four southwestern states is a step which you may call retirement, if you like. This mining man has also served for several years as chairman of our city planning commission.

The man now serving as president of the Young Men's Christian Association in our town retired two years ago as vice-president of the General Electric Company, after having been manager of the vast Schenectady plant for a quarter of a century.

In citing these examples I hope I have not given the impression that the affairs of our community are entirely in the hands of retired men. The retired man is not conspicuous here because he does more than we do but because he does things with us, giving his experience and ability to the common tasks of government, education and welfare.

There seems to be more of this sort of thing than there was a few years ago. Just as men who have saved money are doing better things with it, so men who have saved time out of life's short span are doing better things with their time. In our town we think this is the aristocracy of leisure, the "beyond which nothing" of successful retirement.

"A MAN who has a good, serviceable hobby may, as a rule, successfully retire. Many men are unable to retire because they can find nothing to do that is as interesting as what they are doing. Real success in retirement appears to require thought and preparation"

A successful store sells what people want to buy; profits are secondary



We Simplified Our Selling

By W. T. GRANT

President, W. T. Grant Company

I THINK by this time I've made nearly all the mistakes a man can make at retailing. In fact, I think that any degree of success I have made was because I didn't know much about retailing. That seems like a paradox, but I'll explain it by citing another.

There were too many styles, varieties and complications in the shoe business when I was a young man in New England, so, without quite realizing what I was doing, I started a chain of general economy stores which are now doing a volume of nearly \$60,000,000 a year.

Maybe it was not all quite as aimless as that sounds.

Twenty-five years ago, when but a youngster in business, I was making some progress in spite of the fact that I was hired and fired or quit often, over a broad range of occupations. I had even gone in for promoting boxing matches. Still I had no fortune and was not headed for any place in particular.

In 1903 I got a job as assistant buyer of shoes in a Salem, Massachusetts, department store. Soon I was managing the department, doing all the buying.

Complexity of Shoe Selling

THE involved process of getting the correct fit, exactly the style wanted, the current shade, material and so on was most complicated and troublesome. Stocks sometimes didn't move fast enough to keep in style, and big mark-downs were necessary to keep them moving. I tried many ways to simplify the operations, and every trial seemed worth the effort. As a result of this cutting down of the number of styles carried, my department showed a small profit for the first time in its history.

In spite of a lot of errors, which I now see I made, the management of the store was impressed by that small profit.

In spite of my costly operations, they gave me a lot of other "up-front" departments to manage, too—jewelry, notions, laces, ribbons and leather goods.

If I didn't know anything about running these departments, at least I did not know anything about them that wasn't true, which I would have to forget.

These other departments didn't seem to need a lot of nursing, for they did very well when let alone. I studied the figures to see how they had been doing, and was astonished to discover how much they had earned in comparison with the complicated shoe line.

I had stumbled on something I suppose I would have thought quite regular, had I known more about department-store tradition. There was a little counter, not much larger than an office desk, where a brilliant display of inexpensive jewelry was bringing in more net profit than my big pet shoe department.

One salesgirl handled the jewelry; shoes were handled by several employees, and the whole business of buying, stocking, advertising and selling them was a complicated, intricate, specialty proceeding.

Thus the discovery I made was not remarkable at all. That store that employed me knew that it did not make as much on a shoe dollar as it did on a jewelry dollar. Jewelry just happened to sell faster and absorbed much less capital, was less expensive to sell, and required less space.

The thought intrigued me. I had watched a woman spend an hour selecting, trying on and weighing the merits of several pairs of shoes, and then a moment later pick up a bracelet or bar pin and buy it without any hesitation at all.

Even today in department stores you will find the mark-up fairly uniform, regardless of the turnover, space required, or other considerations.

Even today some departments are un-

profitable. More were losing money twenty-odd years ago. The range of turnover may be as high as fifty times a year on some items in some departments, and as low as one time on others.

If some departments in the average store did better than others, why not my own establishment with only the profitable departments?

The idea, of course, was a little more complicated than that, but most big ideas start life as little ones. I knew where I was going then and even a messenger boy can deliver the goods when he has a destination.

Quick Turnover Only

TWENTY-TWO years ago I began a store in Lynn, Massachusetts, which was set up to handle the quick turnover items of department-store trade. The best fun of my life was in running that store. We are practically a nation-wide group of stores now, but we were surely an independent then.

Merchandising is like shooting bears. If your aim is good and you time it right, you win your game. I don't know of any thrills in sport, however, that beat a carefully planned sales campaign that works. And, without moralizing, I might add that the satisfaction of filling a need is greater than shooting a bear.

One of the things which used to bother the women I knew, was the trouble they had in making exchanges in a store after having purchased a pair of gloves of the wrong size, or having arrived home, found that Willie's shoes were not mates and he needed size seven instead of size six.

The purchaser had to return to the store, which was trouble enough, then run upstairs or down, sign a legal looking document and answer questions about her ancestors and her husband's business. This transaction took too much of the

customer's time and good nature. It was irritating when the purchaser wanted her money back.

She usually had to accept a credit slip which allowed her to buy something of equal value, but she rarely received her money back.

We decided early that the customer was right, that the average American man or woman was a fair-minded, fair-acting individual, and that we would make exchanges and grant all other reasonable requests without asking questions, and would even refund money on purchases merely on the presentation of the sales slip, without swearing, without signing, without arguments, without questions.

When our first stores were opened, we carried the merchandise we thought people would want. If our customers wanted twenty kinds of five-cent combs, we carried twenty kinds in stock, but we soon found the fallacy of that way of trying to give economic service. For years we have been, and we still are trying, to follow the sound economical principles of simplification and standardization advocated by Herbert Hoover. We encourage our manufacturers to standardize their products into a few best sellers and to make these products so much better than the others that our customers will automatically prefer them. We have style in our merchandise, too.

After all, the great body of American people are shrewd buyers and can understand that if we carried ten different styles of paring knives, we would have too much money tied up in stock, and could not serve them as well as we could by selecting the best three knives, and carrying them at an attractive price.

The first Grant employe was a butcher's boy and we had a lame boy to help in the stockroom. I hired and trained the clerks and managers, installed the fixtures, analyzed the customers' wants, jumped down to New York overnight to buy merchandise and back the next to wait on customers. When night came, I knew I had given my customers real service that day for I could feel it in my bones. They told me our store was a "Godsend" to the town. There were so many things to do I couldn't stop. Now we have about 5,000 employes in about 150 different cities.

There is a wonderful spirit among the present and future managers of our stores. When we opened our third store at Bridgeport, Connecticut, a few years after

the first store at Lynn, Massachusetts, the lame boy in our stockroom walked all the way from Boston to Bridgeport to get a job in the new store. Believe me, that type of spirit moves mountains; and we still have that great spirit in our men. We don't need to put it into them. It is in the air in our company. It is like cooties in the army. You can't help catching it.

Success From Serving Public

THIS spirit is the result of our service ideal, which is just as simple and fundamental as the idea which was responsible for the founding of the first store. We sell what people want; we don't try to create desires to buy what they do not want. The successful merchant in any line has this broad stream of the public need to go through to get to the other side where the profits are.

The service idea has been kidded a lot, often justly. If it is not an end in itself, it is certainly not an ideal.

The merchant who sees as his job only getting a lot of retail dollars out of a community, and making a profit on them, is something of a burglar.

The robber goes only a step further and takes all without giving anything.



CULVER, N. Y.

"A brilliant display of inexpensive jewelry on one counter was bringing in more net profit than a complete shoe department"

Chain-store profits range from four to twelve per cent. One of the largest five-and-ten-cent stores makes thirteen cents on the dollar.

These profits are by no means high, but they will likely shrink as competition grows. Some think they will be cut to as low as three per cent on the average.

The thoughtless merchant who thinks the world owes him the same kind of living as the hustling chain-store manager, who is getting \$5,000 to \$25,000 a year, sees buying as the chain's big advantage.

But other real advantages lie in our ability to sense people's wants and to supply them, in our methods of merchandising our stores, in our methods of stock control, in our standardization of construction and materials, in our scientific training of our employes, and in our centralized overhead departments where we have available for each store the utility of high-grade executives. These are not all the reasons for our success but they are a lot of them.

Our stores have been very well received by the public but sometimes the small independent merchant sees the prospect of his business falling off and without considering the people—his customers—he inveighs against the chain store as a great monster.

Attempts to curtail chain-store service by running to the legislature to have them taxed unjustly are both foolish and vicious. If a father wants his son to excel at school, he does not run to the authorities to get them to give the neighbor lad only half a chance. Instead, he works like the dickens to give his own son every opportunity he can win for him.

Chains Buy Better

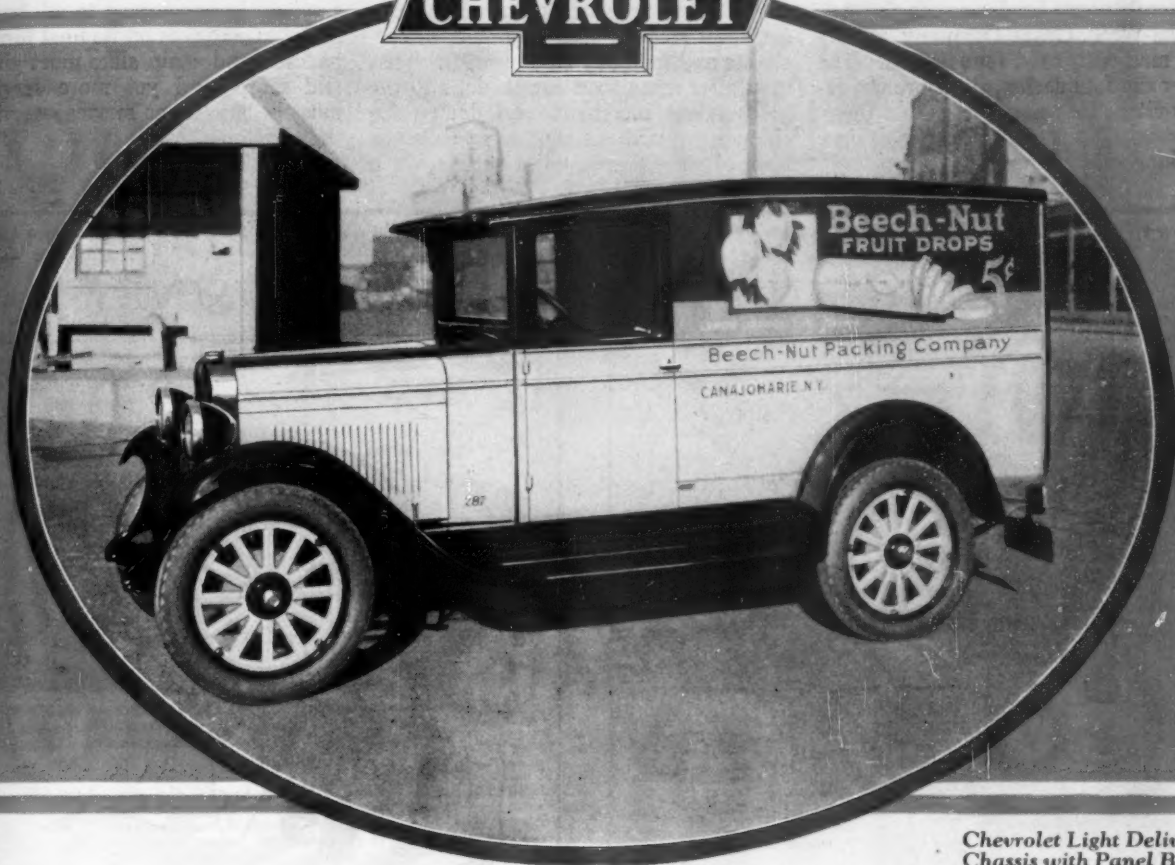
CHAIN stores have been attacked on the ground that they buy too well. The charge is probably true in too many cases. We have found that the best procedure in buying is to bring the customers into the conference. It can't be done actually, but it is possible to say to the manufacturer, "We can use 50,000 hair brushes of the same sizes and styles as our last order for 30,000 and will pay you a fair price. We want you to put more value into these than ever before. We want you to pass the savings you can make in manufacturing this increased quantity of brushes on to our customers—for they are yours, too—in the form of better bristles, better wood, better workmanship. You, of course, will profit more than before as you and we give our customers more value for their money."

The beauty of such bargaining is that it works. Instead of "squeezing" the manufacturer, the chain buyer is in a position to revolutionize distribution, to the distinct profit of the man who lays his money on the counter. The promoter won't do this, but the merchant will.

The public may have some grievance in the future against a new type of chain store which is growing up. I refer to the promoter type. The public has been accustomed to think of all chain stores as successful but such will not always be the case. The reason our company has been successful is that we have always tried to give better values to our customers and have actually done that. Our merchandising and building has been toward the welfare of the customer.

There have been some wonderful merchants who have made tremendous

for Economical Transportation



Chevrolet Light Delivery
Chassis with Panel Body

Great Fleet Operators are choosing Chevrolets

The New
UTILITY TRUCK

\$520

(Chassis only)

f. o. b. Flint, Michigan

The
LIGHT DELIVERY

\$375

(Chassis only)

f. o. b. Flint, Michigan

Because Chevrolet trucks have demonstrated their ability to provide the lowest ton-mile cost in every line of business and because this impressive economy of operation is combined with smart appearance and impressively fine performance—

—an ever increasing number of America's great fleet operators are choosing Chevrolet trucks and cars.

In mechanical design, today's Chevrolet reflects fourteen years constant engineering progress. In its advanced features and rugged construction are revealed the influence of the General Motors Research Laboratories

and the General Motors Proving Ground. The most rigorous conditions of fleet usage call for minimum service requirements—and these are met promptly, efficiently and economically in over 10,000 authorized Chevrolet service stations.

It is these fundamental qualities of satisfactory, economical transportation service that have made Chevrolet the choice of so many of America's leading business institutions. And it is exactly these same fundamentals that should guide you in the choice of the trucks or cars you buy—whether your fleet numbers five or five hundred!

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN
Division of General Motors Corporation

Q U A L I T Y A T L O W C O S T

When buying a CHEVROLET please mention Nation's Business to the dealer

successes in the past in the chain-store field, but I am enough of an optimist to believe that even better men will rise up to carry on the fundamentally sound companies. Every fresh crop of young men I run across seems brighter than the last.

In the W. T. Grant Company, we try to get men with solid foundations. The broader the foundation, the more the responsibility which may safely rest there. If a young boy has had a lot of experience at making odd sums of money to help

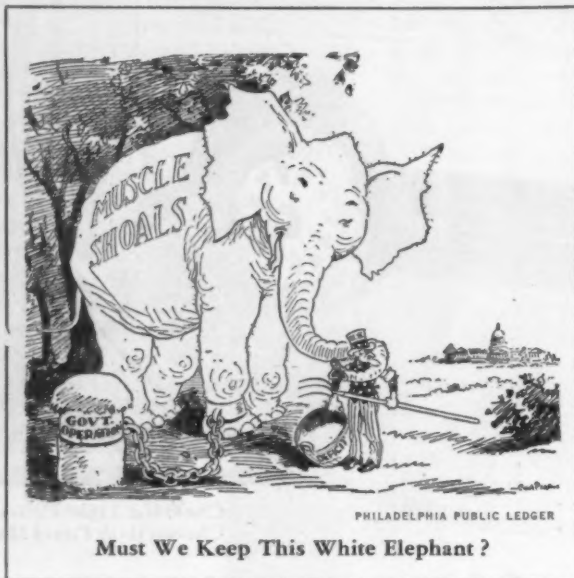
with his expenses he has learned a lot about people and the value of money. Experience is not only the best teacher, but it is the only teacher whose lessons burn home into mind and memory.

We try to regulate our merchandising activities so that each unit makes merchants and men as well as profits. That may offer some food for thought to the independent merchant who damns the chain store without considering what is back of these merchandise outlets which

are making such progress, and to the promoter type of chain where nearly everything is based on a supply of the public's money.

There is no patent yet taken out on service. It is common to all, but before distribution takes on its final form, independent and chain alike must give more and more—and yet more service. It must be intelligent service—service that the consumer really wants. Then it is time to think of profits.

LOOKING AND LAUGHING AT BUSINESS





Richman Bros. Co. shipping department, where materials for hundreds of thousands of Richman suits have been trucked over these Masterbuilt Metallic Hardened Floors annually since 1916.

Which of these is the low-cost floor? A Metallic Hardened floor (right) and a plain cement floor (left) treated with a surface hardener, join in a doorway at the Richman Bros. Co. plant. The Metallic floor after 12 years of service is practically perfect; the surface treated floor after only 8 years' wear is being replaced (1928).



"This Saved Us Over \$7,000 on Floors—"

RICHMAN BROTHERS COMPANY, Cleveland—like thousands of other progressive companies—willingly paid the small extra cost for Masterbuilt Metallic Hardened Floors. This was in 1916. Today, based on cost of maintenance of unhardened floor areas at various localities in their plant, they estimate their savings on Masterbuilt areas at approximately \$7,000. These floors are still in perfect condition.

A new addition now being completed, increasing the size of their plant by 30%,

has been equipped with Masterbuilt Metallic Hardened floors throughout.

Don't let the "economy bug" fool you on floors. Once laid, floors are expensive to replace, and cheap floors have to be continually replaced at one point or another.

"Plain Talk about Concrete Floors"—the book that gives startling facts about floor performance secured by independent, unbiased authorities—shows you how to save money. Send for your copy now.

THE MASTER BUILDERS COMPANY, Cleveland, Ohio

Factories in Cleveland, Ohio,
Buffalo, N. Y., and Irvington, N. J.

Sales Offices
in 110 Cities



Masterbuilt Floors

HARDENED DUST-PROOF CONCRETE

When writing to THE MASTER BUILDERS COMPANY please mention Nation's Business

A Business Betters Itself

The undertaker with whom we all deal and whom we all avoid
is righting himself with the public

By DAVID WILLIAM MOORE

FOR a good many years now the commenters and the wise crackers have been injecting into the viewers with alarm, the casual public mind the idea that it costs a great deal more to die than the experience justifies.

"It cost: an awful lot to live;
But it costs you more to die!"

We read it in magazines, newspapers and books; we hear it from stage, platform and pulpit. We have laughed at the puns and nodded with apparent unconcern at the words of the declaimers.

Yet, we believe it to be true. We have come to the point where we rather take it for granted that every funeral is overpriced, and that every funeral director is a sort of sublimated second-story worker.

Of course, it's too bad. Funerals ought not to cost so much. Why, the very idea. We grumble a bit and let it go at that. For a funeral is only an occasional and emergent expense, coming unexpectedly usually, when we are in no mood even to think of prices and values. On the other hand, when there is no funeral to be considered none of us wants to think of such a thing even as a possibility.

We used to feel that way about life insurance. Folks actually were shocked when they were first asked to look forward to the day when they would close up the book on this career and pass from the picture. Today, they speak rather happily of the fact that they intend to leave ten or twenty thousand dollars.

Public Doesn't Know Costs

TRUE enough, many funerals do cost too much. Far too many of them. And many others seem to cost too much, because the public doesn't realize that something like ninety items of service enter into the modern funeral. The public doesn't even know what a legitimate funeral should cost, to say nothing of the one where it is cheated or overcharged. And so the public has done nothing but blame the undertakers—and pay the bills—and grumble.

Yet, others who consider it their duty to look out for the welfare of the public have tried to take the matter in hand and find a solution.

The social worker has urged more simplicity. He has pleaded with the poor, especially, to avoid useless pomp, costly display which cannot be afforded. How-

ever, with all of his good intentions, the social worker has accomplished the sum total of nothing at all in the way of lowering the cost of funerals. The American family, rich or poor, seems to reserve to itself the glorious privilege of doing exactly as it pleases.

Ministers in their pulpits and in their personal contacts have discussed the subject and have given advice, usually with a lack of information at hand, and their advice has been as completely ignored as any advice was ever ignored in the history of the world.

Then came along the fellow who believes "there-ought-to-be-a-law" about everything, the optimistic chap who believes in relieving the individual of all responsibility and placing it upon the broad shoulders of the government. He stood for making it illegal for the undertaker to rob the poor. But he didn't have sufficient time in this country to put his theories into practice, because over in Europe other "make-a-law" advocates beat him to it. They tried state and city control and found that neither

worked as expected because only the destitute were willing to accept the schedules of public state-controlled funerals.

And the undertaker himself, the supposed villian, didn't have any answer at all.

How could he answer a question that couldn't be answered? How could he say to his public that he was having a hard time making a living, even as things already stood? He did realize, though, and quite clearly, too, that it was time for action. He realized that fact long before anybody else.

He had been the first to realize that he was being compelled to charge more than he should for his services, or give less than he should for what he charged. And being like most everybody else he sought to cover up.

He assumed the air of professionalism. He tried to put himself in the same class with physicians, ministers, and others who deal with intangible things.

He said, in substance, to his customers:

"I come to you with a professional service, for which I am entitled to ask a professional fee. I have to go through a course of study to learn my work. I am not a business man. I must serve the destitute and the very poor at a loss. I shall always have to do this. No, mine is not a business, and it cannot be measured in terms of dollars and cents."

It was a bold stroke, but it didn't work. The public didn't swallow the idea that the undertaker was a professional man. The public went right ahead doubting and getting grouchy.

The Specialists Got Busy

IT THEN occurred to some of the leaders among the funeral directors to do a bit of studying, to see what was back of this impossible condition, and what might be done about it. This was in 1925. And these few leading individuals employed a firm of capable, experienced business specialists to find out for them. The business specialists got busy and they found out many things, including waste, inefficiency, poor management—and also that the average undertaker hasn't got a chance to cut his prices very materially under present conditions of his business.

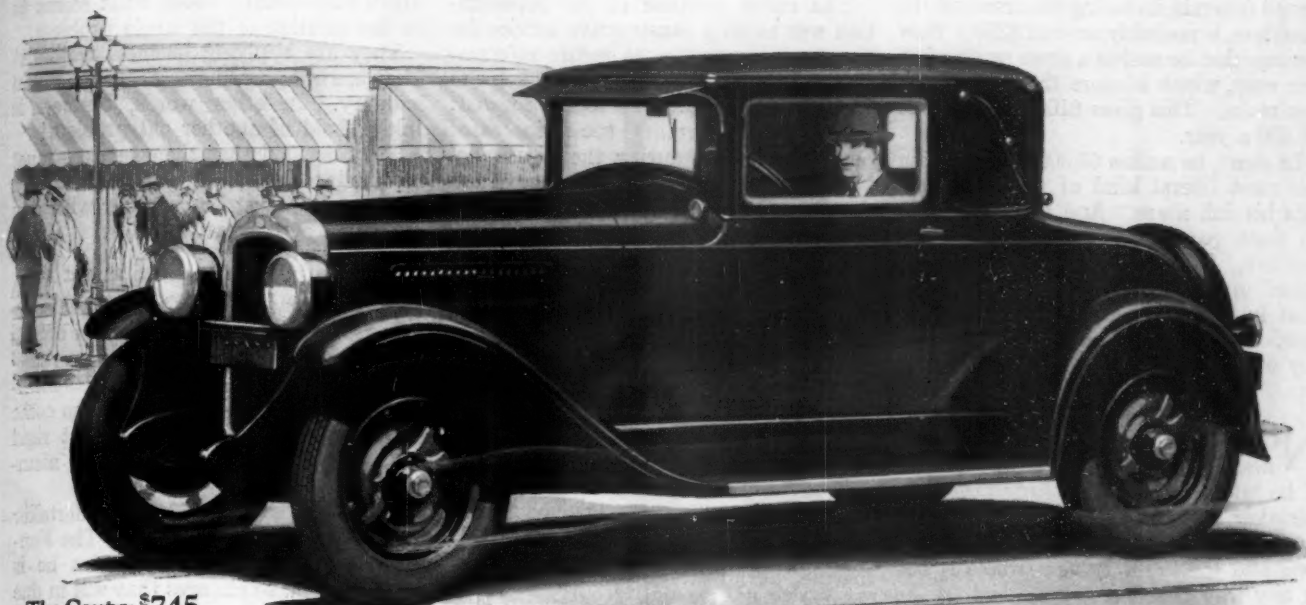
Here are some of the figures, indicative though perhaps open to qualifications, that came to the surface for consideration. In the year 1880 the average number of funerals for each undertaker was 194.2. In

1890 this had decreased to 124.7. In 1900 it was 83.5. In 1910 it was 66.3. And in 1920 it was only 56.6. It seems reasonably safe to say that today the average annual business of the undertaker is less than 50 funerals a year.

This figures down to one funeral a week, if he gets his share. But he doesn't get his share, because there are large fellows in the industry who handle thousands of cases each year.

But taking 50 funerals as a basis, let's see what we have. Say a funeral costs \$400, a very liberal estimate (the average

“A SURVEY of the undertakers' business disclosed waste, inefficiency, poor management. The number of funerals per year per undertaker has dropped to barely a fourth of what it was in 1880. Mass production was obviously impractical. What to do? Cooperation”



The Coupe, \$745
Body by Fisher

Now-more economical than ever before

High on the list of qualities which have recommended Pontiac Six to hundreds of organizations providing automobiles for salesmen is the strict economy which this famous

General Motors car provides.

And now the Pontiac Six is more economical than ever to operate. As a result of certain mechanical improvements including a new, more

highly perfected carburetor and new manifold, Pontiac now obtains greater mileage per gallon of gasoline, in addition to developing more power and greater speed.

And, in addition, it offers greater safety, comfort and length of life than ever because of its new, sturdier wheels and larger tires.

Whether you operate one car or a fleet of a hundred, it will pay you to investigate the Pontiac Six. Write to our Fleet Department for complete information. Ask also for details of our attractive Fleet Owners' Plan.

OAKLAND MOTOR CAR COMPANY, PONTIAC MICHIGAN



This Book sent
upon request —
Mail the Coupon

From some of the largest corporations in the world and from many smaller firms, letters have come in by the hundreds, asking for copies of the book, "Experiences of Various Companies in Handling Automobiles with Salesmen" . . . The book includes three general sections: "Who Buys the Car—the Company or the Salesman?"; "How are Operating Expenses Handled?"; and "Developing a Plan of Operation" . . . If you are interested in this book, or in Oakland's plan for cooperating with fleet users to reduce sales cost, send in the coupon below.

OAKLAND-PONTIAC

PRODUCTS OF

GENERAL MOTORS

Sixes

Oakland Motor Car Company, Dept. K,
Pontiac, Michigan
Gentlemen:

Please send me a copy of the book: "Experiences of Various Companies in Handling Automobiles with Salesmen."
Tell us more about your fleet user's plan.

(Name)..... (Company).....

(Title)..... (City)..... (State).....

When buying OAKLAND and PONTIAC CARS please mention Nation's Business to the dealer

for all funerals, including children and the destitute, is probably around \$250.) Now assume that he makes a gross profit of 25 per cent, which is more than he usually can make. This gives \$100 a funeral, or \$5,000 a year.

In short, he makes \$5,000 a year, using the most liberal kind of figuring, if he gets his full share. And for this \$5,000 he must pay his organization expenses and live. Even though he is but a "curbstone" operator he must employ help, at least in his transportation and such details. His income is not enough—not on any ordinary business basis.

Business Is Limited

NOR can he go out and get more business. There isn't any more business. If he takes it away from some other undertaker, then he simply adds to the problem of the other fellow, who also has to live, and the industry as a whole is not in any way benefited.

He does, and has done, the only thing possible for him to do under the conditions. He increases his margin. He has charged the utmost that he could collect.

It is not fair to indict the funeral director for dishonesty. He has been facing an impossible situation. He has, we should point out, tried to be fair, ethical and charitable.

Then, closely following this first investigation, there came another and a more important one. In May of 1926, an Advisory Committee on Burial Survey was selected and financed by The Metropolitan Life Insurance Company.

The entire purpose of the investigation was to do a constructive service for the American public, to secure information which, if possible, might help to lower burial costs. The report showed:

While the mortality totals increased but 2.3 per cent during the period between 1900 and 1920, the number of undertakers increased 51 per cent!

In New York City 44 per cent of the funerals are handled by only 8 per cent of the undertakers! What about the other 92 per cent? How are they going to get along on their two funerals a month?

The Metropolitan report says:

The extravagant charges on the part of certain undertakers are largely due to an effort to make a living out of a very small volume of business. The advertisements one sees in the newspapers, telephone directories, etc., are for the most part misleading and insincere. In every city "complete funerals" are advertised as low as \$100, with "chapel free." The practice generally is to use these advertisements as "bait." Once the family enters the establishment it is importuned, regardless of its finances, to select a more expensive funeral than it can really afford.

Perhaps the foregoing statement may explain somewhat the fact that in New York City 52 per cent of all estates under \$1,000 are absorbed by burial expense.

While the Metropolitan Survey was being made, those leading funeral directors who had employed business specialists to investigate for them were considering their own findings very seriously, and they finally arrived at a conclusion

which has brought about what seems to be the solution of the whole problem.

They are applying business methods! They are bringing business into the burial industry. In other words, business is taking hold of another old problem!

They decided that their services must be standardized, that their methods and management must be on a par with any other line of business activity.

Organized for High Standards

AND so they formed The Funeral Service Bureau of America. This organization is promising to bring a right-about-face in the funeral field. Its membership is open to all—but all who come in must measure up to the most rigid qualifications ever imposed upon members of a business group.

The result is that when an undertaker becomes listed as a member of The Funeral Service Bureau of America he is pledged to make changes that will in due course lift him above all of the criticism that has been directed toward the industry in the past.

He must maintain a type of establishment that can operate on the most economical basis.

His establishment is labeled as a business place, giving honest value at all times.

The Funeral Service Bureau is planning to show how the funeral business must be conducted; it is clearing out waste, confusion, inefficiency and poor management, and installing standardized systems and methods.

Your Share in Government

By ROBERT C. MORRIS

Member of the New York Bar

OUR GOVERNMENT is a party government and has been since its creation. In the framing of that great organic act, which we call the Constitution, there were two parties which represented fundamental ideas and contended for the establishment of certain principles.

These two political parties became known as Federalists and Anti-Federalists. The former stood for a centralized government as delineated in the original Constitution; the latter as a party of protest became responsible for the adoption of the first ten amendments, generally referred to as our National Bill of Rights. Each of these parties gave a great service to the nation.

A political party is the organ through which public opinion may be most effectively expressed. It is an organization of citizens who hold to certain principles which they believe to be of the highest interest to their country. To make these

principles effective in government, the party's object is to gain control of the administration of public affairs.

Parties that actually function can exist only where a free people rule. They can operate only where there is freedom of speech and of the press and where the people have the right peaceably to assemble.

Importance of Parties

OUR political parties are the most satisfactory mechanism yet devised for the organization of public opinion, and for making that public opinion powerful in government. For more than a hundred years they have been perhaps the strongest nationalizing influence we have had and have been one of the most potent forces in developing the high character of our American life.

The administration of our Government may become temporarily unsatisfactory but it will never become so permanently;

for the form of our Government is inherently right, provided the people will use their political parties as instrumentalities for perpetuating their sovereign control. The individual citizen should therefore avail himself of his opportunities and take his share in the maintenance of our Government by an active participation in party activities.

The citizens possess sovereign control over the entire Government. They must think and act effectively to keep it functioning properly, for it will not run itself without them; it cannot be set up and then left alone. As William Penn wisely said, "Governments, like clocks, go from the motion men give them."

The government officers we select are only temporary agents. The citizens must see to it that while these agents represent them they perform their duties intelligently and efficiently.

How can the citizen wield his share of the power to hold the Government to a

Billing

on a

Burroughs

The Burroughs Moon-Hopkins Billing Machine is the only machine that will write and compute the complete invoice in one operation. With any other method the bill must be figured first, then copied. With the Burroughs all figuring—extending, discounts, totaling and calculating—is performed as the bill is typed. The figuring costs neither time nor money. Results are printed by one key depression—no copying from dials.

Ten Important Burroughs Advantages

Writes headings, addresses and descriptions.

Handles fractions in either price or quantity.

Automatically prints dollars under dollars and cents under cents.

Error Key permits correction of item before it is added or printed.

Extensions are computed by *direct multiplication* (not repeated addition) and printed by *depression of one key*.

Full Cent Key automatically takes

the full cent when the fraction in the answer is one half cent or over.

Amounts to be discounted are automatically accumulated and the total is printed by the *depression of one key*.

Net extension is computed by *direct multiplication* (not repeated addition) and is printed by the *depression of one key*.

Freight and other charges are deducted by *direct subtraction*.

Final result is printed by the *depression of only one key*.

Ask the local Burroughs man for a demonstration, without obligation, of this wonderful Billing Machine.

CHECK APPLICATIONS WHICH INTEREST YOU

BURROUGHS ADDING MACHINE COMPANY, 6159 SECOND BOULEVARD, DETROIT, MICHIGAN

Gentlemen: Please send me more information on the bookkeeping problems I have checked.

Billing ☐

Writing and computing invoices in same operation

Accounts Payable ☐

Ledgers with or without remittance advice—Journal-voucher system instead of ledger—including registration of invoices

Accounts Receivable ☐

Ledger and statement in combination—ledger and end of month statements—with or without carbon—skeleton or itemized

Payroll ☐

On cash or check payments

Distribution ☐

Labor—materials—purchases—sales—expense—cash

Costs ☐

As shown on stores records, payroll and distribution summaries, cost sheets, etc.

Stock Records ☐

Of quantities—values—or both quantities and values together

Journalizing and General Ledger ☐

Complete typewritten description, or date and amount only

Name _____ Firm _____ Address _____

When writing to BURROUGHS ADDING MACHINE COMPANY please mention Nation's Business

high standard? The answer is, by joining a political party and participating actively in its work. Unless he does this, he is an outsider and cannot play his part, for political parties are the instrumentalities by which our Government is formed and continued.

Joining a party does not mean that one is bound to maintain a continuous allegiance to that organization. If he is not satisfied that his party is standing for the best principles and for attaining the best results, he may support the candidates and policies of another party. This is an admirable feature of our party system.

Authority Flows From People

AFTER the colonies declared their independence, each formed itself into a commonwealth or sovereign power in which all authority flowed from the people. Following the Declaration of Independence, the thirteen separate states sent delegates to a convention and they drew up Articles of Confederation that outlined powers of a central Congress that was to look after certain matters of common interest to all the states.

These Articles gave very little authority to the central Government that was to act for its thirteen constituents. It served as a weak tie of common interest for eight years, when a Constitutional Convention prepared the Constitution of the United States. During the development of the Constitution, the states never suspended their functions, and the people of the several states, the supreme authority, ratified it.

Both the national Government constituted by the people of all the states and the several state governments, constituted by the people in each, were created by an exercise of the sovereign power of the people. Each state is separate from the others, and each within itself is a unit of sovereignty.

We can readily understand that questions of policy and of administration often arise. The theory of our Government is that these questions must be settled in accordance with the will of all the people. To ascertain that will, and to carry it out, parties exist.

Political parties are a great unifying influence. They make California and New York, Texas and Maine all members of one big family; and their influence in thus uniting the nation and in improving the national morale can hardly be overestimated.

The greatest scope for our parties is in national problems, and the voter performs his highest duty by taking part in national politics in times of peace just as he renders the highest service by supporting his Government in time of war.

The supreme act of the party

organization is the nomination and election of a president. The national convention makes the nomination and the national committee runs the campaign.

In the early days of our political parties the device employed to bring about nominations was the "caucus." In the political alignment, which occurred in 1831, the caucus disappeared, and the convention, made up of especially chosen delegates, took its place.

These bodies, besides nominating candidates for local offices and for Congress, selected delegates for state conventions. The delegates for national conventions themselves were chosen either by congressional conventions or by the state conventions.

These latter bodies invariably elected the delegates-at-large and sometimes chose the whole state delegation.

In a few localities this system still prevails, but in the larger part of the United States, the delegates are now selected by the party voters at the party primaries. Thus the most conspicuous fact in modern party organization is the disappearance of the convention as a nominating agency.

"Presidential Primaries"

IT WILL be many years, if it ever happens, before national conventions are displaced by a nation-wide popular primary; though there has been a manifestation of this tendency in an effort to develop the so-called "presidential preference

primary," where party members when voting for delegates for the national convention also indicate the individual who is their preference for president.

It is important to realize the fact that throughout our country political parties are recognized by law. Practically all the states as well as the National Government have passed laws regulating the activities of parties.

Parties Have Official Sanction

THE states or the localities, as the case may be, print the ballots which are used in the elections, and party emblems are recognized and placed thereon. The states have also created bi-partisan boards which have control of elections and which are constituted of representatives of certain parties.

Above all, the states have adopted extensive primary laws by which party organizations are created and which provide in most minute fashion for their government and for the selection of candidates. Political parties have therefore become by operation of law part of our governmental system.

Thus, we see, our Government is a party government. Fifty years ago parties were mere voluntary organizations, of whose existence the law took no cognizance.

From a strictly legal and constitutional point of view, they had no more relation to Government than fraternal organizations or college secret societies.

Now they are as much imbedded in our city, state and national organizations as the legislatures and the courts.

The citizen who affiliates with no party is merely an outside observer who has little to do with the management of his country.

If he gets inside one of these parties, however, he can exercise a direct influence upon it. He can perform his part in selecting its leaders, in directing its policies, and in naming its candidates. He can become a unit in a far-reaching mechanism, and a vital agency in the country of which he forms a part.

Every man and woman of voting age should become a member of some political party, should take a part in the management of that party, should exercise an influence over its policies, and, if opportunity offers, should not hesitate to accept public office.

We must always hold in mind the basic fact that in our scheme of Government, sovereignty is inherent in the people and that they are the real rulers of our country. Every citizen, therefore, should take advantage of his opportunity to join a party so that he may enjoy his proper share in the Government of his country.



WILLIAM PENN said, "Governments, like clocks, go from the motion men give them."

The most effective way yet found for a citizen to give motion to government is to join a political party and participate actively in its work



ONE MINUTE We haven't taken a vote, but we're willing to wager that most men take but one minute for lathering. Hurried morning schedules cut down the time you can spend with soap and shaving brush to soften your beard—but they can never change the smooth comfort you get from your Gillette Blades.



THREE FULL MINUTES

This man likes his comfort. He prepares his face thoroughly. He used to be the exception. But now more men are giving more time and thought to this important job of lathering. Three minutes—and then the swift, sure sweep of your smooth Gillette Blade!

The longer you lather the better the shave—

*But whether you lather much or little,
your Gillette Blade does its swift, sure job*

If you're like most of the Gillette users in America, you lather as much as you have time for and leave the rest to the Gillette Blade.

If you're one of the careful leisurely minority, you lather a full three minutes. Then your face is thoroughly prepared. But while you may often lack time, you need never lack comfort. Just slip in a fresh Gillette Blade and enjoy the smoothest possible shave per second.

This comfort is a family trait in all Gillette Blades, put there by Gillette's own patented machine processes. During the past ten years, Gillette has spent millions in improving these

processes and in perfecting one of the most scrupulous inspection systems ever devised. Four out of every nine Gillette workers are inspectors, paid a bonus for every blade they discard. Hence when you take the finished inspected blade from the little green envelope which is its certificate of perfection, you can be sure that shaving comfort is waiting for you, ready for whatever lather you see fit to use.

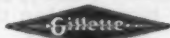
Your Gillette Blade always does its job well, or eight out of ten American men wouldn't stick to it as faithfully as they do. They judge a shave on its face value and they choose—the Gillette.

GILLETTE SAFETY RAZOR CO., BOSTON, U. S. A.



To be sure of a smooth, comfortable shave under any conditions, slip a fresh Gillette Blade in your razor.

Gillette



When writing to GILLETTE SAFETY RAZOR CO. please mention Nation's Business

Together We're Licking the Chains

By HENRY LOHMANN

Secretary, United Retail Grocers Association, Brooklyn

BACK in 1902 a friend of mine, also a grocer, had a sick horse. I went around to his house on a Sunday to see what I could do to help. After a little effort the horse seemed to breathe easier, and so did we. Then we began to talk over our other problems, and wondered why we couldn't work together as well in business as we had in the case of the horse.

We indulged in a lot of mental speculation that Sunday afternoon. We wondered, for instance, if we would not be able to get better prices on cereal or canned goods if we should put our orders together and buy at the same time. From there we jumped to the conclusion that we ought to be able to get others to go in with us and get wholesale prices from the manufacturers. The more we talked the more steamed up we got. Before many days we did get several others to try it out with us on one or two manufacturers. At first we had little luck. In fact, we were told firmly to get out and mind our own business.

The chains were just getting a foothold in Brooklyn in 1902. The thought that they were getting better prices than we could was not easy to forget. We stuck to our idea, and interested more of the independents in our plan. We set up several small divisions, each responsible

for a few commodities, and rented warehouse space in the Bush Terminal. We saved a little in this way. The manufacturers were beginning to wake up to the fact that we had a lot of potential buying power, and gave us better prices.

Less than a year after the incident of the sick horse, several hundred Brooklyn grocers met and organized the United Grocers. We subscribed \$250,000, and in a short time had our own wholesale house in full swing. We started with a hundred and twenty-five members. Soon we had three hundred; today we have more than six hundred.

Never has a membership been solicited. When a grocer asks for admittance, the committee on membership looks him over from A to Z financially, socially, mentally, for honesty, for his record, for his credit, and even for his manner of living. Whether he is a church member is taken into consideration.

In more than twenty-five years of op-

eration, we have had only one member fail. That is a tribute to the members who pass on the candidates. It is a big reason why we have been successful. It also raises the question, "How many regular wholesale houses of any type can beat this for a record?" If every job-

ber took the same pains to see that he was taking a fair risk before doing business with retailers, would there be so much talk about the wholesaler passing out of the picture?

Our own members of the United Retail Grocers Association are in no sense antagonistic to the chains. In fact, many of them own stock in local chain systems, and grocery chains at

that. If one of these grocers cares to open a branch, he may. Some have small chains of their own started of course. The desire to be working for himself is in the heart of every free-born American, and no amount of routine training can take it out.

Not every retail group-buying organ-

“HAVING taken one step toward making themselves better merchants, the rest of the way seems easier. Members of the Brooklyn United Grocers see daylight ahead, and do not worry about chains. They give their best thought toward building up their business”



Stores, left to right: Chain grocery, chain grocery, chain grocery, independent grocery, chain drug store. The independent does a greater business than the chain groceries combined. Sites next to chains are at a premium. Chains attract trade. Photograph taken on Connecticut Avenue, Washington

... and SILVERTOWNS
will "say it with savings"

The extra rubber between outer plies of these tires—the careful matching of cords, to secure uni-

Leading fleet owners are already

THE B. F. GOODRICH RUBBER COMPANY
Established 1870 Akron, Ohio

In Canada:
Canadian-Goodrich Company
Kitchener, Ontario

[illegible]

Goodrich

HEAVY DUTY

Silvertowns

BUS & TRUCK TIRE DEPT.
B. F. GOODRICH RUBBER CO., Akron, Ohio
 I'm interested in lower tire costs. Please send your Tire Cost
 Plan to Goodrich dealer named below.

Name
Firm Name
Street
City State
Number of cars in fleet
Name of Goodrich Dealer

ization has gone as far as we have. Many pool their buying, but carry on through the old line wholesalers. This may be done advantageously if the spirit among the members is strong enough. If not, there will be trouble, for no man likes to have his judgment set aside by the majority. Once a cooperative organization has been set up, adherence to rules must be implicit. Unless a substantial framework has been built up, there will be deviation from the common plan.

Service Changes Price

Again, some operate wholesale plants, but differ in the amount of service extended. Some will take telephone orders, while others will not. As with all business, the less the service the lower the prices. The more successful of the group-owned houses operate on a five and one-half per cent margin, and still pay good dividends and set aside a sinking fund.

I know one wholesale firm that has a large executive staff of fine business men, but they take out of the business more than two hundred thousand a year in salaries. That is a sizable lump to mark off before any thought is given to the men actually taking the orders and selling the goods. I wonder how their figures would compare with those of the United Grocers. Some have a margin as high as nineteen cents.

The strength of most cooperative enterprises, at least for the buying end, lies in the fact that they do practically a cash business. Credit is too expensive a luxury. Bills are usually paid weekly, with a penalty for falling behind. The stock investment which must be made by each member is in effect a bond which must be equivalent to a weekly purchase.

Chains can enter most retail fields. A central warehouse is about the most essential, as handling costs must be low. Much the same holds true for cooperative buying on the part of independents. The number entering upon the project is the only determining factor upon its size, although the details will, of course, vary with the type of stores interested.

Too few grocers really know their business. Several years ago, when I was making a survey of customers for one of the larger independent wholesalers, I went into a small grocery with a salesman for the wholesaler. The grocer owed the wholesaler fifty dollars. He wanted some more goods, and also asked for more time to meet his bill. While we were there, his butter-and-eggs jobber called, and I happened to peek over the grocer's shoulder when the butter man put down a statement for more than \$400. They talked in a foreign tongue for a few minutes and the butter man went out. I understood enough to know that the grocer was trying to put off paying the bill, and yet have a small order of butter delivered.

I asked him how many wholesalers and jobbers he dealt with. He counted up six. Usually a merchant will meet all bills promptly, or none. It seemed a good bet that the latter extreme was the case

here. If so, this grocer probably had a thousand dollars to meet. His stock might have brought \$700 at a quick sale, but that was doubtful. I noticed a check for \$50, payable to him, from some institution, so I told him that he had better get his credit fixed up with the wholesale house of my companion by giving us the \$50 check. This he did, grudgingly. A week later he went into bankruptcy, and the firm was saved the additional order, which had not been delivered, at my advice.

That man had no business being in business. Wholesalers were carrying him, to the detriment of their own good customers. The good customers, the wholesaler, and the retailer all lost money. I suspect rather strongly that the grocery field is not the only one in which that is true.

I don't think that there is any doubt that independent retailers will do the bulk of their buying through exchanges or cooperative wholesale houses of some sort, for chain competition is getting so strong that it is getting to be a case of "hang together or hang separately."

When independents who are real merchants get together finally, no chain-store organization in the world is going to lick them. Of course, intelligent direction is vital, but independents have that, though it is sometimes misconstrued into fighting instead of thinking.

Chains Have Little Profit

HERE is an item worth considering. Of chain grocery sales of slightly more than two billion dollars in 1926, almost one billion went at the bare cost figures. This business was done by 58,000 grocery chains. The average business done without profit in other chain fields will not be so great, but it is a fact that almost forty per cent of chain business is carried on without any net profit. Eight per cent of the total volume of chains is carried at a loss.

The public has come to accept the idea that chains can buy cheaply because they buy so much. Yet it is only a partial truth that they sell for less. They do in some highly promoted lines, but not in the majority of the items carried. Here the profit must be large to make up for the business which pays no return.

Independents can afford to let the chains have the unprofitable business. Chains base their appeal on price. All right, let them have the low-price business, for that means low profits. This price appeal is based on a line of features sold at a slight profit or even a loss. The majority of the merchandise handled by chains is not so cheap. On many lines they figure on making a very good profit.

This applies to many types of mass retailing. As an experiment, take two dimes and go out and buy two packages of epsom salts from two drug stores, one a chain and the other an independent. In the chain, you will likely find that you get a small prepared package bearing the chain label. In the other, you will get your salts in bulk, and several times

as much of it. The chains are just as clever in hundreds of such ways. They capitalize on convenience, but not from charity. Chain groceries build up a reputation for cheapness on a few lines where they do cut prices. These they shift around to give the impression that it includes everything, but profits are not made by losing or breaking even on every transaction, and chains make profits.

Generally speaking, chain prices for meats are high. They have to put a pretty stiff mark-up on fruits and vegetables also. I have yet to hear of a chain manager who gave a baker's dozen when he sold bananas.

When I began in the grocery business thirty-five years ago, mothers would send their children down to Behrmann's or Hufnagel's for the weekly provision. This is a buying habit that has changed a lot, for today the family groceries will come from possibly half a dozen sources. The chains are doubtless responsible for this, at least in part, and delicatessens have had something to do about it. At any rate, few groceries today can boast of the entire food line, even excluding meats, for more than a very few of the families served.

It is possible for independent grocers to put that fact to profitable use. When a chain store offers a popular laundry soap, for instance, at cut prices, when the margin has already been cut too much, then it is better to let the chain alone on that item. It won't make any money there anyhow, and we know that we can keep step or even go a bit farther on the quality lines.

There is a story that an old Greek philosopher went out and cornered the grain market, just to prove that scholars could be practical. The corner is still a very sharp commercial tool. It is powerful because it makes sure a big price. Now hundreds of years later, men are finding out that there is an even more potent form of monopoly—that of outlets. The chain store is an attempt in that direction, but because things are as they are, the ultimate goal can never be reached.

Managers Earn High Salary

THE use of the power behind the chain store must be expertly handled, as followers of this new retail type have seen. No man is going to devote his life to keeping a shop for another for small reward if the shop is making a fortune for the owners. It isn't in nature, or at least not in human nature. Hundreds of chain managers are fine merchants. Some make \$20,000 to \$50,000 a year, and are worth every cent of it.

In fact, they are worth more. The day is not far distant when more and more chains will sell out the units to the successful managers, and keep the same system operating, which will still mean a liberal profit for the organizer.

However, here is an incident which shows what an independent merchant can do to meet chain competition. A young woman made several small purchases from

a good delicatessen. Then she asked the proprietor if he would recommend a first-class restaurant, as she and her husband wanted to give a little party on their wedding anniversary. They both worked, and were unable to have much of a party at their apartment. They did not have a great deal to spend, and so had to find an inexpensive eating place.

The merchant suggested a plate dinner, which he said he could deliver to their apartment. He sketched the details with enthusiasm, and succeeded in getting her a little excited. It would be sort of a picnic, with salads, different kinds of meats, pickles, soft drinks, coffee, milk, and plenty of cakes and ice cream. It could be handled easily as a buffet supper, with paper plates and simple china and glassware. He offered to furnish silver in case she needed more. She decided to try it. It was a success, and the same retailer got four more orders for similar suppers in a few days.

If he had been a chain store manager, he might have made the same suggestions, but I doubt it. For one thing, independents have a far better chance to get to know their customers. If they don't make use of that asset, they should.

When Buyers Combine

ONE interesting thing that is on the retail horizon today is the question, "What will happen when group buyers get together?" Suppose a hundred men, representing buying groups made up of the best grocers from cities in Pennsylvania or New York, or any other state, should meet together. Would the manufacturers listen to what they had to say? Would their ideas be given consideration by those who had goods to sell? The answers will be the retail conversation of a few years from now. The happy fact in the consideration of those questions is that no matter what the answers, the public will be the real winner. When the chains and the groups of independents begin direct competition, then will waste in distribution begin to disappear.

A chain gathers up the experiences of its units, and passes them on to all, so that they profit by each other's mistakes and discoveries. The local trade associations can do a lot of this sort of service. Groups which pool their buying can do still more. If one of our members has a clerk taken sick, he won't be turned down when he asks for help. If he should find that every delivery truck has been in an accident, he will be able to pull through with the help of his fellows in the buying fraternity. They are still his competitors, but they are his best friends.

Having taken one step toward making themselves better merchants, the rest of the way seems easier. Our members see daylight ahead, and are free from worry about the chains. They give their best thought toward building their business.

A man may read two books in an evening, but he can't eat two dinners. It is a hard job that the grocer has in building up his market. I know of no other which resists expansion more firmly.

Under Stone & Webster Management

THERE is never a time when a public utility can say that its plant is complete. There is never a time when the utility is not extending its lines or power plants or making some other additions to its service.

When the public demands service, the utility must provide facilities for that service even though capital be scarce and the cost of money, labor and material high.

More, the progressive utility must anticipate the demand for service. It must be a pioneer.

STONE & WEBSTER, INC., is a pioneer in successfully financing, building and operating public utilities. Broader fields of usefulness are constantly being opened; new territories are daily being developed. New and more efficient methods are being tested and adopted. The business of giving the public better service demands sound judgment and knowledge.

Behind every company under STONE & WEBSTER management, are the engineering, financial and executive resources of a national organization whose reputation is built on 38 years of service.

Twenty-five thousand Stone & Webster men know that the growth of a public utility company depends on its success in serving the public.

STONE & WEBSTER

INCORPORATED



Water and land are not all that go to make a successful farm. Houses, dwellings, roads, all the improvements that together make up civilization must be added before a reclamation project can return dividends or even pay for itself. Getting inhabitants is not the least of the problems



Reclamation in Dollars and Sense

By LOUIS J. TABER

Master, The National Grange

IF THE steel industry, the automobile industry, or any of our other great manufacturing industries were suffering from a depression of seven years' duration, occasioned at least in part by overproduction, what would be said if Congress should consider spending hundreds of millions of dollars for more plants for more overproduction?

That is the sort of situation with which agriculture is confronted. For years the agricultural surplus and the resulting depression have presented a problem. During the past seven years more than fifteen million acres of agricultural land have been allowed to lie idle for the simple reason that there was no profitable use to which the land could be put.

Powerful interests have been making and will continue to make determined efforts to commit the Government to the expenditure of vast sums for the development of new irrigation and reclamation projects, which, if approved, cannot fail to aggravate the malady from which agriculture has been suffering since 1920.

One plan known as the Columbia Basin Project in the State of Washington would require \$315,000,000. This project calls for the irrigation of 1,883,000 acres. The estimated cost is about equal

to the cost of building the Panama Canal.

The total expenditures of the Government for irrigation and reclamation projects from 1902 to June 30, 1927, aggregate \$210,928,908.23.

Of this sum, \$183,887,241.54 represents construction costs, whereas the balance, \$27,041,666.69, represents expenditures for operation and maintenance. The Columbia Basin Project is greater than all the other government irrigation and reclamation projects put together. In fact, it is the largest and costliest enterprise of its kind in the world.

Big Business of Farming

ACCORDING to the published statements of the Bureau of Reclamation, this project, if adopted, will ultimately bring under cultivation an irrigated area that will be twice that now farmed in the State of Utah, including the lands farmed without irrigation. Utah is a great agricultural State. This project will put 30,000 additional farmers on the land. It will call for more than \$3,000,000 a year to maintain and operate. The value of the crops that this project would produce when under full development has been variously estimated at from \$90,000,000 to \$250,000,000 annually.

The Bureau of Reclamation also says

that the adoption of the project would call for the building of more than 7,000 miles of roads and thousands of bridges over canals and ditches, with an outlay of \$30,000,000 for houses of settlers costing \$1,000 each. All this is provided for in a bill which is exactly 16 lines in length. This bill has been favorably reported by the Irrigation and Reclamation Committees of both Houses of Congress.

Another project that has been favorably reported from committee to both the House and the Senate creates organized rural communities to demonstrate methods of reclamation and benefits of planned rural development.

Under this bill the Secretary of Interior acting through the Bureau of Reclamation, is authorized to acquire through donation, purchase, or eminent domain an area of swamp, cut-over, neglected, abandoned or poorly-farmed land, sufficient to create therefrom at least 200 farms and farm workers' allotments in each of the following states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia.

The bill calls for an appropriation of \$10,000,000, not more than \$2,000,000 to be spent in any one of the states. Under

IN CHICAGO AND SUBURBS ALONE
THE DAILY TRIBUNE EXCEEDS THE
CIRCULATION OF THE NEXT HIGHEST
CHICAGO NEWSPAPER BY

42
million

COPIES A YEAR!

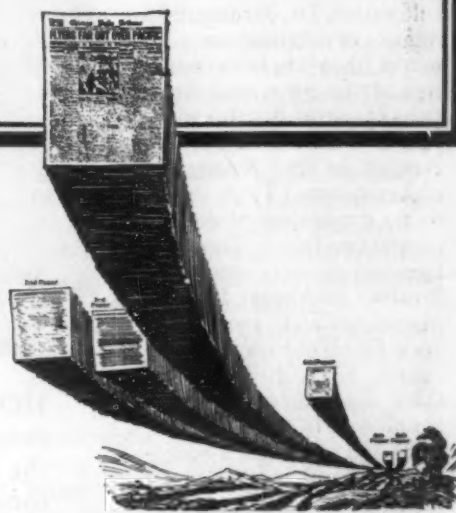
THE Story of Success is not written in a day. A prize fight, a great disaster, may send newspaper circulations soaring overnight—only to drop again when the crisis passes. What happens month after month, year after year, is the true test of circulation supremacy—and measured against that test—

The Tribune's daily circulation in just the city and suburbs of Chicago exceeds that of its nearest competitor by 42 MILLION copies a year!

42 million copies—in daily circulation not delivered by any other Chicago news-

paper in Chicago and suburbs! Imagine the potential sales power of this plus circulation alone, concentrated upon the rich Chicago market. Remember that in addition to this enormous extra value is the rest of the Chicago Tribune's tremendous circulation!

The advertisers of America have found the Chicago Tribune the country's most productive medium—have given it the greatest volume of advertising in the world. They continue to win greater profits from the Chicago territory during 1928 by concentrating in the Tribune.



Back of the length and breadth of any newspaper advertisement, is the great but invisible third dimension which makes that advertisement worth printing—the Third Dimension of Circulation. On this story the Tribune stands beyond comparison in Chicago. This page makes plain the magnitude of the Tribune's superiority in city and suburban circulation every day. In total daily circulation, in city and suburban and Zone 7 Sunday circulation, the story is the same. Your advertisement on the Tribune has behind it a Third Dimension of Circulation which is beyond comparison—both in quantity and in sales-producing power!

Chicago Tribune

THE WORLD'S GREATEST NEWSPAPER

the bill, the Secretary of the Interior is authorized in his discretion to advance for permanent improvements not exceeding the sum of \$3,000 on account of any one farm allotted, and not exceeding the sum of \$1,000 on account of any one farm worker's allotment.

Advances for permanent improvements shall be repaid to the government in 56 semi-annual instalments, each of which shall amount to three per cent of the sum advanced; of each instalment, two per cent shall apply as interest and one per cent as principal.

Bureau Regulates Farming

THE Bureau of Reclamation, by regulation or otherwise, shall provide that the purchaser shall live on and cultivate the land in a manner to be approved by the head of the Bureau, and in case of failure on the part of the purchaser to comply with any of the terms of his contract or any regulations proclaimed by the Secretary of the Interior, the Secretary shall have the right to cancel the contract, and thereupon shall be released from all obligation in law or equity to convey the property, and the purchaser shall forfeit all rights thereto, while all payments theretofore made by the settler shall be deemed to be rental paid for occupancy.

Economists of the Department of Agriculture said that if this project were carried through, it would result in conditions closely bordering on social and economic peonage.

Besides pointing out that under present conditions we are not warranted in bringing additional land under cultivation, Dr. Jardine, Secretary of Agriculture, remarks that the determination of the scope and direction of agricultural expansion is a matter of peculiar concern to the Department of Agriculture. There should be no duplication of departmental functions. These reclamation projects necessarily involve problems for soil physicists and economists, agricultural engineers, agronomists, horticulturists, livestock and dairy specialists, entomologists, forestry experts and agricultural economists trained in the special problems of farm organization and farm management. The Department of Agriculture has such a staff, while the Department of Interior has not.

The uncompleted irrigation and reclamation projects comprised under the ten-year program of the United States Government contemplate additional expenditures

of more than \$105,000,000. The Bureau of Reclamation acknowledges that during the past 15 years it has been "struggling" to secure a sufficient farm development on various reclamation projects to make them solvent enterprises.

In an advance statement issued by Dr. Ellwood Mead, Chief of the Bureau, at a reclamation settlement conference held in Washington this year, the Commissioner had this to say concerning economic conditions on various reclamation projects:

At present the Government holds a lien on the unimproved, unpeopled lands under project as security for the repayment of construction costs, but unless these lands are settled and cultivated, they are a liability rather than an asset. Owners of unimproved land derive no benefit from irrigation works and cannot long pay reclamation charges. Solvency depends on farm settlement and improvement of the irrigable land.

He then gives a table which shows that the Government has expended \$56,000,000 on a group of eight reclamation projects in the west. The total acreage of these eight projects is 509,000 acres. The table shows that only 138,500 acres

of this land are now under cultivation, while 370,500 acres of land are waiting for settlers.

Why all this haste and anxiety, then, in attempting to persuade Congress to authorize additional projects?

Wanted: Desert Farmers

ONE of the items contained in the \$36,000,000 estimate to bring these lands under production calls for \$500,000 for advertising in placing settlers on the land. It must not be overlooked that while the Government is spending this sum of money in advertising for settlers, other settlers in many instances are abandoning the farms because they are not able to meet their overhead expenses and make a living besides.

The Business Men's Commission which was appointed jointly by the Chamber of Commerce of the United States of America and the National Industrial Conference Board to study the conditions of agriculture and measures for its improvement well said in its report:

Since farmers are now suffering from overproduction it seems worse than futile to spend new millions on reclamation projects with the aim of bringing still more land under cultivation.

While the production of agricultural products on our irrigation and reclamation projects represents only a small percentage of the total farm production, the Business Men's Commission aptly observed that it does not take a large surplus to depress very materially the prices of most agricultural commodities.

In its report on the agricultural situation, the special committee of the Association of Land Grant Colleges and Universities, which met at Chicago last November, said:

Sound national agricultural policy requires that no new reclamation projects be undertaken for a number of years except when international and interstate relationships make national participation imperative.

In the opinion of this committee if the Federal reclamation policy is continued, it is undesirable to employ interest-free Federal funds in promoting reclamation projects.

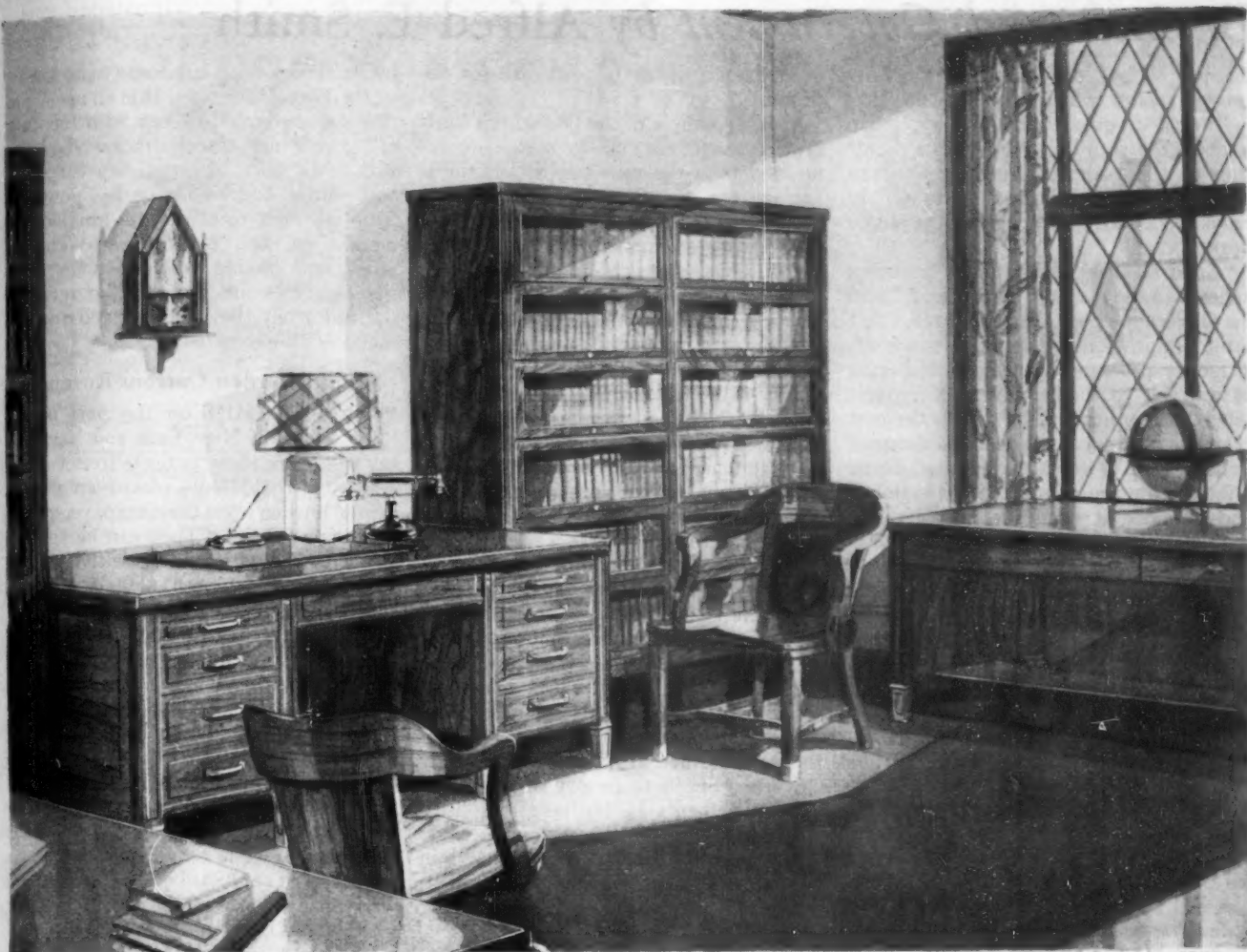
Give the farmer a square deal; give him a fair share of the consumer's dollar, and from the farms of America will come the necessary food and fiber to clothe at least 250,000,000 people at a price not disproportionate to the general price level of other commodities.



HOW can there be two sides to reclamation? Isn't any project that increases the soil's fertility, that gives us more food to eat, a good one? Yet, we have an enormous production plant for farm production now and the farmers are already complaining of overproduction.

There are two sides to reclamation. Here's one, the case against it presented by a farm leader, Louis J. Taber.

Next month we shall give the other side by Marshall N. Dana, Associate Editor of the *Oregon Daily Journal*



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MODERN business demands both utility and appearance in office furniture. Office space cost is high. It cannot be wasted with misfit equipment. While a pleasing layout—good appearance—pays dividends in bettered office morale and in the impression visitors receive.

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The makers of Art Metal equipment have a practical knowledge of modern business needs. This knowledge and the experience covering forty years of building steel office equipment go into every piece constructed.

The result is equipment of efficient design . . . equipment with clean, trim lines—a vigorous, modern beauty. Art Metal is fire-resisting, dust-proof, sanitary, with

smoothly working drawers. And steel does not break, splinter or warp. Art Metal has no birthdays. Its usefulness, its good appearance, remain unchanged.

You will be surprised at the moderate first cost of Art Metal. The wide range of the Art Metal line allows you exactly the selection in price you desire.

A helpful booklet on office layout . . . FREE . . . We have published a new booklet, entitled "Office Standards." It contains much authoritative office management data and interesting diagrams on office layout.

Let us send you a copy along with any of the catalogs listed below. Please mention the ones you wish.

1. Desks; 2. Steel Shelving; 3. Horizontal Sectional Files; 4. Plan Files; 5. Fire Safes; 6. Upright Unit Files; 7. Counter Height Files. The Art Metal Construction Company, Jamestown, N. Y.

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STEEL OFFICE EQUIPMENT, SAFES AND FILES

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Business and Government by Alfred E. Smith

(Continued from page 17)

the people by continuing the "pay-as-you-go" policy when there was no "go" to it and frequently little "pay." He went to the front, therefore, as a champion of the policy of returning to the method of careful borrowing to obtain funds needed for major, permanent public works.

"Good business and prudent financing indicate to the business man's mind," said the Governor, continuing the topic, "that capital improvements should be made out of money procured by the sale of bonds. It is unfair to the taxpayers of a single generation to burden them with the cost of public improvements that are designed to have a life of at least a hundred years. I fought for the adoption of this policy and obtained it from the people. The people authorized the issuance of \$50,000,000 of bonds in 1923 for the hospitals and charitable institutions of the state. In 1924 they authorized \$15,000,000 for parks and parkways. In 1925 they authorized the legislature to issue \$10,000,000 worth of bonds every year for ten years for public improvements, and \$300,000,000 for the elimination of dangerous crossings at grades.

Bonds for Permanent Structures

"IN THE handling of the bond issue money I have been very careful to see that not one dollar of it was put into personal service, purchase of equipment or into any constantly recurring expense. It has all been devoted to permanent structures that will be of benefit to our state and her people long after the bonds have been retired. This method of financing was not something that the Governor and the legislature alone were able to accomplish. It required the approval of the people of the state. That approval was freely given, and the progress made in public works gives the people ample justification for the change they made in the fiscal system of the state."

The business side of the administration of the state has always claimed the close attention of Alfred E. Smith. Numerous stories are told illustrative of the shrewd vigilance he maintains over comparatively minor matters of expenditure. His friends say that this trick of keeping an eye out to turn an honest dollar now and then for the state government has not only saved money but put new money in the treasury. In 1920, when he was Governor, he sat down one day with a pencil and a sheet of paper and figured out that the state could save a handsome sum by purchasing a building in New York City to house the State Labor Department. Previously the department had been housed in offices for which heavy rentals were charged. The results of the purchase of an office building was that the cost of it was more than amortized in a few years,

even though the state paid cash for the property.

Another sample of the Governor's business acumen, applied to state government, was in the purchase of additional acreage for the State National Guard Camp at Peekskill, where the state had been paying an annual rental, and where the purchase saved \$50,000. The same principle was applied to the purchase of barracks for the state police.

When the property occupied by the state arsenal at Seventh Avenue and Thirty-fifth street in New York City—a district which had become increasingly valuable for business purposes—was to be abandoned, the Governor took a train from Albany to New York and personally acted as auctioneer of the property, selling the site for \$1,350,000, a record price, and about \$400,000 more than the real-estate people estimated would be realized. He is credited, also, with originating and putting into construction the new state office buildings in Albany, New York City and Buffalo which will effect a saving of \$1,000,000 in rents annually.

The establishment of the Port Authority in New York is considered by Governor Smith to be one of his major accomplishments in business and fiscal reform. Discussing this matter he said:

"As a result of the enormous growth in the cost of operating the government, due to the increased cost of everything

by legislation what has come to be known as the Port Authority. It is an agency of two states charged by law with the duty of improving transportation facilities within the port. It is a body corporate and politic, and by law it has power to issue its own securities to provide the money for such development. The interest and sinking fund payments upon the securities are met by the revenues derived from the enlarged and modern facilities thus created.

Would Burden Current Revenues

"AN ATTEMPT on the part of the States of New York and New Jersey to finance these projects from current revenues would have placed an unwarranted burden upon their taxpayers," said Governor Smith. "They can be and are now financed with a comparatively small appropriation for both states and by the issuance of bonds guaranteed by the earnings of the property and not dependent upon the states or their taxpayers for either interest or sinking fund obligations. No such enterprise should again be undertaken to be paid for out of current revenues.

"There is no future justification for pressure upon the public purse for these necessary revenue-producing public improvements. The sound business principle involved can best be understood when we realize that New York's share of the tolls from the New York and New Jersey Vehicular Tunnel is now being used for New York's share of the financing of four great bridges being constructed to connect New York and New Jersey."

Following the trail blazed by the Port Authority enterprise, and insisting that its lessons of experience should be utilized in other large enterprises under state control, Governor Smith strongly advocates that New York set up a State Power Authority to control and lease its vast resources of water power. This, in his conception, would be a public corporation, municipal in character, having no stockholders, deriving its power from the state and having duties specifically imposed upon it to take over and develop water power. The Governor contends that there is no present problem connected with the business management of the Empire State more important than this.

"New York is probably the richest state in the Union in natural power sources," he said. "For years and years these have been allowed to run to waste until the ingenuity of man devised a means of harnessing them and getting a direct benefit for the people from the power that can be generated from falling water. To alienate these resources—to lease them to private control for a lifetime—would be a deliberate and wilful waste of a great, God-given resource that

Next Month

Two cabinet members write for you

ANDREW MELLON

Three Eras in American Banking

JAMES J. DAVIS

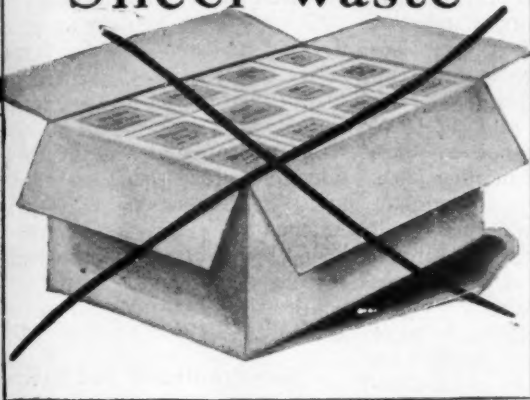
Shall We Change Our Trust Laws?

All business men will be interested

that enters into its operation (because, after all, the government is no different from business or even from the household) it became necessary to find new means of financing enterprises that, by their nature, could and should be made self-sustaining. The railroads entering the port of New York had a half a century in which to improve their terminal facilities and the manner and method of handling their freight at that port.

New Style Public Ownership

THE fact remains that they never did it, and when necessity for it became keen and the question could no longer be deferred there was brought into existence

Sheer waste

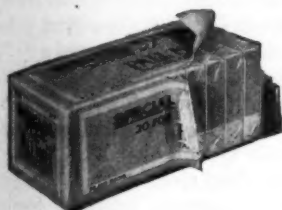
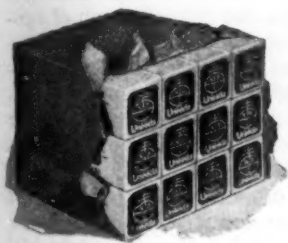
Cardboard containers are an unnecessary waste for light-weight packages

Thousands of Dollars Saved !

Machine Bundling saves thousands of dollars in material and freight

Machine Bundling

makes large and immediate savings



The packages may be bundled in dozen or half-dozen lots

THE savings made possible by bundling packages, instead of packing them in cardboard containers, are so large and so quickly realized that no manufacturer of package goods can afford to ignore them. Numbers of important manufacturers adopted this more economical way of packing almost as soon as they learned about it — the National Biscuit Co., Bristol-Myers Co. (Ipana Tooth Paste), American Tobacco Co., Norwich Pharmaceutical Co. (Unguentine), The Diamond Match Co., etc.

Machine Bundling eliminates the expensive cardboard container. This immediately results in a saving of 60% on material.

Each machine also saves from \$2,000 to \$5,000 a year in labor.

And the paper wrapper, being much lighter than a cardboard container, makes large savings in transportation.

A saving of \$25,000 annually

A recent report from a user shows savings in material and labor of 24c per gross of packages bundled. His savings in transportation charges amount to 20c, making

a total saving of 44c per gross. With an annual output of 60,000 to 80,000 gross, this user has a saving of \$25,000 to \$30,000 annually from one bundling machine.

Machine Bundling is suitable for tooth paste, shaving cream, gelatin, tea, crackers, tobacco, cigarettes, toilet goods, matches, and many other products of large volume production. In fact, for packing such articles in small lots, containers are a sheer waste, because in most cases these units are again packed in shipping cases.

The machine can be fed automatically from the wrapping or cartoning machines. The packages are tightly wrapped in tough Kraft paper, all seams firmly sealed with glue, making a strong bundle that will stand up in shipping and handling. The machine also attaches printed end-seals.

How much can we save you?

Send us a dozen of your packages, so that we may show you how our machine would bundle them; we will also give you cost figures to compare with your present costs. Get in touch with our nearest office.

PACKAGE MACHINERY COMPANY
Springfield, Massachusetts
NEW YORK: 30 Church St.
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Over 100 Million Packages per day are wrapped on our Machines.

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should be developed in the interest of all the people.

"The question of water power development at the present time is receiving nation-wide interest. Giant power combines naturally will stand against the proposal of a public authority, but it is difficult to be in sympathy with their viewpoint because it is purely selfish. On the other hand, there is today an insistent and growing demand for the development of these power resources by the rightful owners, the people themselves. There is one sure way to get the full benefit of hydro-electric energy for the small store keeper, the small home owner and the people on the farm, and that is to have the state retain the ownership not only of the source of power but of the development works.

Borrowing for Public Business

IF PRIVATE enterprises can borrow the money to develop great resources what is there to prevent a public corporation, a Power Authority, from doing the same thing? It can borrow at a cheaper rate as its bonds would be tax exempt. There would be no stockholders and consequently no stock bonus to be distributed with each bond. No profits would be required further and beyond the cost of the money, the cost of operation and a reasonable set-up for depreciation. The people should retain full and complete ownership of such resources, administering them through a businesslike agency, and making contracts at rates favorable to the real owners of the power—their selves.

"Transportation, light, heat, and power are vital to the life and health of great municipalities. History must have taught the unprejudiced mind that these facilities should be under the control of the people who directly use them. This decade has seen several changes in our administrative policy toward public utilities. We have wavered from unified control to separation of functions. All along I have stood for the right of a locality to regulate a public utility operating wholly within its borders. There also is no reason why the state should not delegate its police power for the regulation of public utilities to the properly elected officials of a municipality."

Municipal Ownership Stressed

REGARDING the question of municipal ownership, it has invariably been Governor Smith's contention that it is a local, home rule question. There is nothing new or revolutionary, he says, about the theory of municipal ownership. If it is desired by any community, that community, in his opinion, should have the right to try it out. Transportation is so vital to the needs of every community that there is no reason, he maintains, why a municipality should not be permitted to supply it to its citizens. If that be true, he further asserts, then there is no reason why a city should not be permitted to own and operate any utility within its bounds if that is the will of a majority of

its citizens. New York City, he points out, owns and operates ferry boats. Four cities of the state own and operate their own electrical plants. A large number of villages either generate their own electricity or own a distributing system. Some villages operate gas plants.

"I simply recommend," said the Governor, "that the principle now in practice in New York City and in other parts of the state be extended to all forms of utilities and be made applicable to all cities where there is an expressed desire on the part of the majority of the citizens for the exercise of such right."

He turned enthusiastically to the topic of agriculture, saying: "As a member for many years of the legislature and as Governor I have paid close attention to agriculture and its problems, and especially to the essentially business side of the distribution of agricultural products. Agriculture is the basic industry of the state of New York.

"Agriculture is not only fundamental to all other industries but it is a big and important industry in itself.

"Three quarters of a million of our people in New York State live on farms and they employ a capital, in farms and equipment, of two billions of dollars. Two-thirds of the area of the state is in farm lands. While New York, among the other states, is only twenty-ninth in total area, and twentieth in area of land in farms, it stands eighth in the total of agricultural production. It is first in the production of potatoes, hay, sweet corn and many vegetables. It is second in dairy products, apples, grapes and in total value of all vegetables. It is a leading agricultural state.

Farms Need Help

IN ALL the dislocations brought about by the great war no group of workers within the state has been more grievously affected than the men and women living upon the farms. As a result of the agricultural depression following the war, there was a net loss, in the ten-year period ending December 31, 1927, in the agricultural population of the state, of 141,000 persons.

"In New York we have over 11,000,000 people. Upwards of seven millions of them live in five cities on the line of the Hudson River and the Erie Canal. In addition we have 35 cities and 528 villages. For their food and clothing the people in the cities rely upon the farmer. Both national and state policies should be molded to insure equality of opportunity and reward between those groups which produce the food and those which consume it.

"Since 1918 this state has put into effect a far-reaching program to cheapen marketing costs, to decrease marketing risks and, in general, to facilitate the distribution and sale of New York farm products for the ultimate benefit of the farmer-producers and the city consumers as well.

"The functioning of this program has been an important factor in modifying

in New York the severity of the agricultural depression which affected some of our sister states so calamitously.

"A state fails in its duty to agriculture," the Governor went on, "which merely enforces the regulatory statutes related to the safeguarding of its food supply. The state by wise and prudent policies should foster and upbuild agriculture and consider the full well-being of those engaged in it. This New York State is doing. Among other things, it is improving, with liberal appropriations, its system of rural schools, and it is also equipping its rural youth with a knowledge of the science of agriculture.

Governmental Aid Favored

EQUAL opportunity for the education of their youth, so generously afforded to city dwellers, must also be presented to the farming communities. The strength and the comfort that public health measures bring are the concern of the state for the people on the farm and the people in the densely populated sections equally."

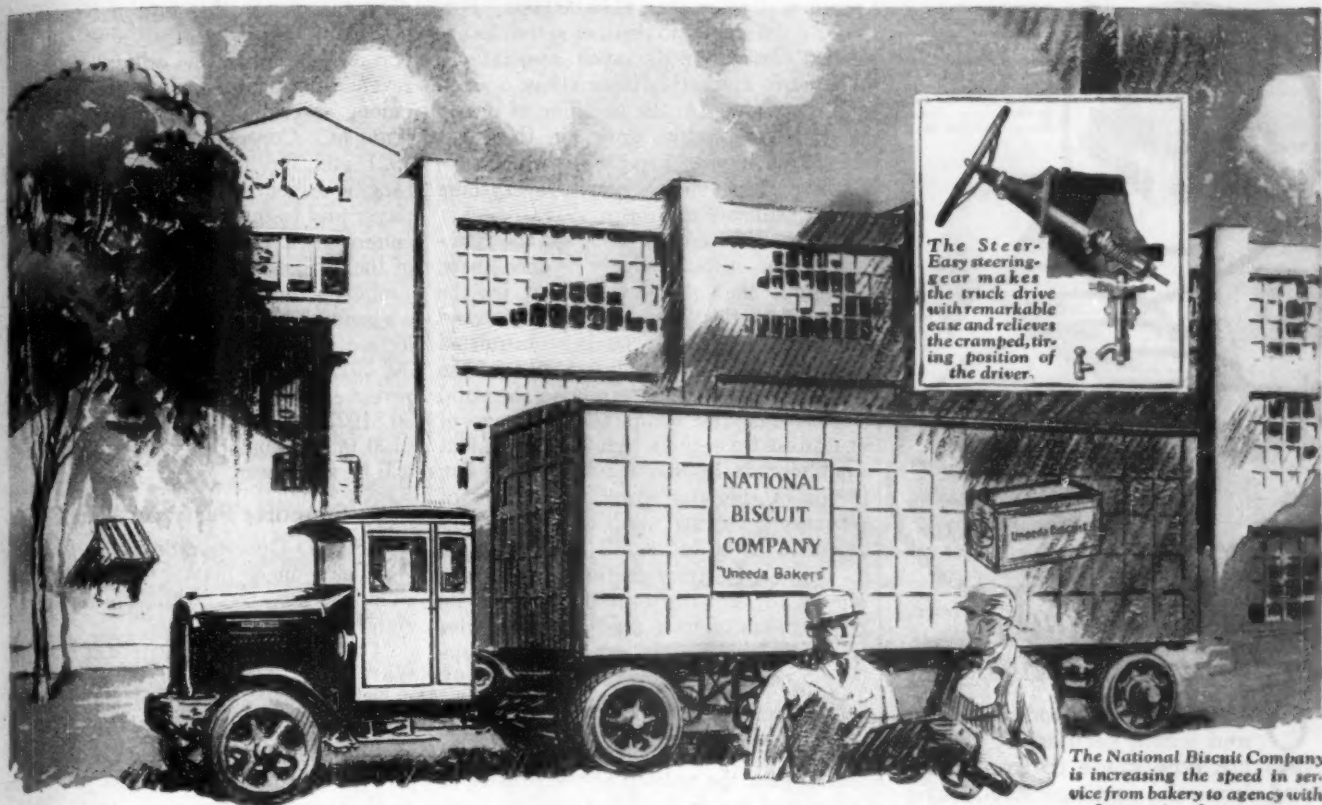
In Governor Smith's opinion, government has the duty of assisting the farmer to the quickest, most efficient and most profitable means of marketing his products, and of forwarding various cooperative enterprises which enable the farmer to buy his necessary supplies most economically. In the rehabilitation of agriculture he considers that a sound state marketing policy is vital. He calls attention to the great development of service functions by government in the past ten years, such as market reports by press and radio; aiding the organization and operation of cooperative associations, and the inspecting and certifying of grading of farm products at shipping points. He thinks that these and other similar services have placed New York in the front rank of states having a state-aiding program for marketing improvement.

"One of the most important pieces of work now being carried forward is the state-wide study of city food-handling problems," said Governor Smith, pursuing this topic. "And along with this is the development of regional plan of food-handling facilities. Special aid is being given to individual cities in planning modern terminal and farmers' markets which will enable them to perform their proper functions in the regional plan and to take full advantage of the new era in the supplying of food to the cities—the new era ushered in by the modern highway and the motor truck.

State Helps Cooperatives

NEW YORK has consistently supported cooperative enterprises for years, not only among the farmers but among the consumers as well. In 1926 various cooperative marketing acts were combined into a single, comprehensive cooperative corporations law. There is probably no other state which has placed upon its statute books such adequate and complete cooperative marketing legislation. In New York there are now 1,100 cooperative associations doing a combined

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Left: Drive Screws are used to hold wire backing screws to the aluminum sectors of this large filter, made by Oliver-United Filters, Inc. Below: They also secure the celluloid clasp to the metal banding frame made by Frank J. Quinn, Inc.

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business of more than \$115,000,000. Forty-five different and distinct activities are being carried on by such associations. There are marketing associations operating successfully in the handling of nearly every farm product grown in the state. There are buying associations which supply the farmer members with everything from fertilizers to groceries.

"Modern invention has eased the farmer of much of the drudgery he once knew. I submit that the development by the state of electrical energy from state-owned water power, which can be transmitted to the farms and dwelling places in the sparsely settled sections, giving the rural district full and complete advantage of the latest inventions that are dependent upon electrical power for their operation, is one of the most important pieces of business devolving upon the state management in the future.

"One of the great factors for the promotion of agriculture in this state is its good system of state roads, an enterprise to which I have given my strongest support for many years. We have not only supplied the means of transportation by modern highways, but we have made annual appropriations to the towns and counties for the upkeep of their roads, in order that we might have feeders from the farms to the main highways. Business methods and the application of business principles to the state government have nowhere produced more impressive results than are shown in highways construction and improvement. I realized at the very beginning of my first term that the prime necessity was to take the highways out of politics and to have the roads built for durability and service instead of for votes. After several years of struggle we have succeeded in adopting a highway map on which roads are located for their usefulness in serving the commercial, industrial and agricultural interests of the state, in addition to their service to recreation. We have almost trebled the number of miles constructed in 1917. We have built 3,000 miles of new highway since 1919 and have reconstructed 2,000 miles. It is all a part of the balanced program to promote the business of the state by business methods."

Governor Smith reverted to fiscal and financial matters, a subject always in the forefront of his mind, and upon which he has an amazing knowledge of detail. At a recent dinner twenty questions having to do with the most intricate and detailed statistics of state business—road building, schoolhouse construction, taxation figures, interest on certain bond issues, special distributions of appropriations and such subjects—were suddenly presented to him as a test of memory and intimate knowledge of the business of government. He immediately and precisely answered every question down to the last decimal point—and accurately, as was later determined by a check up.

He called this writer's attention to a marked change for the better which has taken place in the method of han-

dling taxation in the state of New York.

"In the beginning of my first administration," he said, "the administration of revenue-producing laws were scattered among several departments of the government. Consolidation was begun in 1921 and finished in 1927. Numerous tangible benefits have resulted to the taxpayer and to business. The public is accommodated because it knows to which of the several departments to take its tax problems for solution. There has been a considerable drop in the cost of tax collection. In the fiscal year ending June 30, 1922, it cost \$1.88 to collect \$100 in revenue. In the fiscal year ending June 30, 1927, it cost \$1.14 to collect every \$100 in revenue. For this year the cost will be still lower."

Supports Party on Tariff

I ASKED Governor Smith to state his views on a matter of widest possible interest—the tariff. He replied instantly:

"On the tariff I am entirely at one with the pronouncement of my party in the tariff plank it adopted at the Houston convention. I believe that our tariff legislation should be framed with a view of giving equal justice and equal protection to all classes of Americans—to the farmers as well as to the manufacturers; to wage-earners as well as to business in general.

"I believe with my party in a tariff which will maintain legitimate business and which will preserve the high standard of wages for American labor. I thoroughly believe in a fact-finding tariff commission to ascertain the precise facts—the differences in the cost of production abroad and here in the United States—what rates will give real benefit to the agricultural producers as well as to the industrial producers. I am in favor of a tariff which will benefit the home and which will have no monopolistic, extortionate features. Above everything else the benefits and burdens of the tariff should be equitably distributed so that no one class or section of the nation receives an unfair benefit while some other class or section receives an unfair burden."

"What about the merchant marine?"

"I stand again four-square with my party, and the primary purpose of all legislation on this subject shall be the establishment and maintenance of an adequate American merchant marine which can carry the greater part of our commerce and which can be a real aid in the national defense."

"Have you any other expression which would be of interest to the business men of the country?"

"At the moment none on business subjects that cannot be found in the Democratic platform," the Governor replied. "As I said, I stand earnestly with that platform on all matters of concern to the people. The best record of my business philosophy and my business ideas is to be found in my work as Governor of New

York. A man is best known by what he does—what he translates into effective legislation or policies—than by anything else. I certainly prefer to be measured by that yardstick.

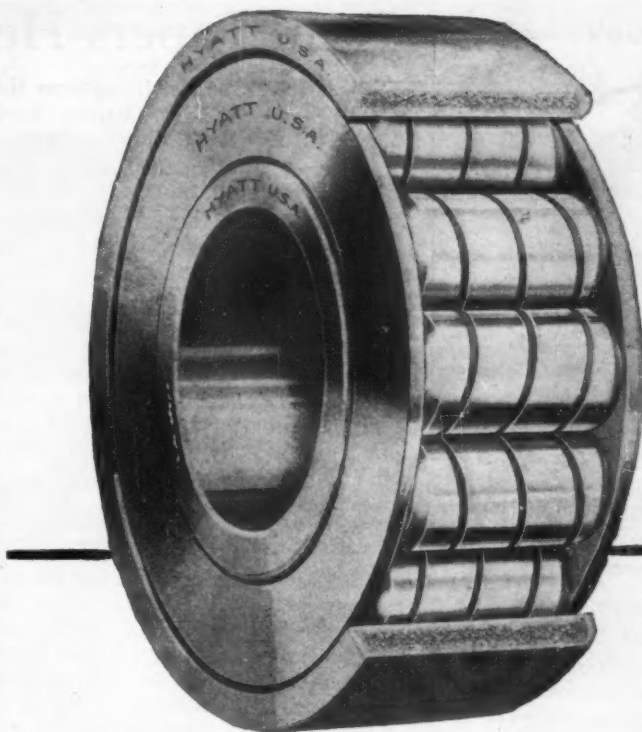
"I have already touched upon accomplishments or prospective accomplishments which may be of special interest to the business men who read NATION'S BUSINESS, and which are illustrative of the results of business principles applied to government. I could make a long catalog of such applications and such results. The list would include progress made through good business technique in the Department of Labor, which used to be merely an agency for the gathering of statistics, and which is now a live, active, well equipped department of the state government; in the Department of Education, to show that the application of business principles has accomplished in the way of expanding and improving our schooling facilities; in the expansion of the Department of Health; in charities, our hospital system, in relief work among mental defectives and for crippled children; in conservation and in fire prevention—in the whole field of state government.

"The old-world conception of government was that the people existed for the benefit of the government. The underlying theory of American democracy is that the government exists for the benefit of the people. The government which is closest to the people and most responsive to their needs—most responsive to the demands made upon it—economically and efficiently managed—is the best.

Governmental Efficiency

"EVERYWHERE the demand grows more insistent that government be placed upon a sounder business basis than has heretofore been obtained. A wasteful, inefficient government cannot meet the demands of the people. It is not responsive. The problems of government which permit of political division are, after all, very few. But unfortunately, partisan advantage is often sought by injecting politics into what should be the strictly business questions of government; problems as that ought really be solved only upon the basis of what is best for the people, and not upon the basis of what is best for the politicians. Nothing is more deadly to progress than to have either of the great political parties conceive it to be its duty to prevent its political opponents from achieving at the hands of the people the credit that would grow from a record of progress.

"So far as I, myself, am concerned, I have invariably, over a long period of years, concerned myself almost altogether with a strictly business handling of state affairs. That, with its underlying human basis, I hold to be the very essential of good government. I have invariably regarded myself as the responsible head of a great corporation, charged with the duty of reporting from time to time, and with understandable particularity, to the stockholders."



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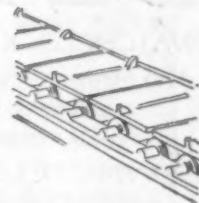
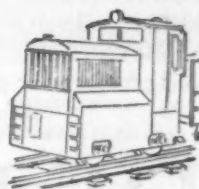
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Farm Papers Honor Farm Success

DURING the last three years the Standard Farm Papers have conferred the title of Master Farmer on more than 300 outstanding farmers in 21 states.

The purpose of the Master Farmer movement is to dignify agriculture by recognizing and dramatizing its successes; to encourage farmers to take pride in their calling; to inspire farm boys and girls by showing them that outstanding success is possible in agriculture as in other occupations—not only the success that is measured in money, but what is more important, the success that comes from an upright and useful life in family and community.

Recognition of Farmers

THE Master Farmer movement has become nation wide. It has given the public a new conception of the dignity and importance of agriculture. It has given the honor and recognition that is their due to men who are outstanding for their farming, their citizenship, and their family and community life.

The purposes of the Master Farmer movement are well summarized as follows by Dr. Tait Butler, one of the editors of *Progressive Farmer*:

"First, the Master Farmer movement is a means by which farmers who have done really notable work in farming, and who represent a high type of citizenship are carefully selected in order that their work and character may be recognized and fittingly honored.

"In almost all other lines of human endeavor the man who achieves outstanding success is known and honored in some fitting manner by those in the same field and through them by the public generally. This has not been generally true of the farmer.

"The individualistic nature of his work and his isolation have left even the best farmers little known and unhonored outside their local communities. The Master Farmer movement seeks to find outstanding farmers of high character and to render honor to whom honor is due.

"Second, the Master Farmer movement has set a high standard by which farming and farmers may be measured or judged. The Standard Master Farmer score card serves as a mark toward which all farmers may aim and by which they may measure their own efforts and success. Already many young and old farmers are using it as a goal toward which they are striving.

"Third, the Master Farmer movement is in effect a study of the methods, achievements, equipment, spirit and character by which success in farming is achieved. It is, therefore, a means for developing a better agriculture by carrying to all farmers in an effective manner the methods and equipment which have enabled other farmers to achieve outstanding success.

"Fourth, in the mind of the general

public there is an all too common idea that farming is not as efficiently conducted as merchandizing, manufacturing, banking, and other industries.

"The Master Farmer movement shows to the general public the high degree of efficiency reached in modern agriculture. A challenge is offered to merchants, manufacturers, and bankers, for instance, to show from their ranks an equal number of men who in efficiency, service, and character measure up to the high standard of men selected as Master Farmers."

Master Farmers are not selected at random or by guess. They are measured by a definite, scientific score card, which gives due consideration to business methods, citizenship, home and community life, home equipment and conveniences, and education of the children as well as actual farming methods.

The Master Farmer movement was started in 1925 by Clifford V. Gregory, editor of *Prairie Farmer*. He and his associates felt that a sound plan of bestowing public honor and recognition for excellence in farm citizenship was badly needed and would do much for the morals of agriculture.

In that belief the Master Farmer score card was worked out, and the first Master Farmer awards were given to 23 men at a banquet at Chicago, December 2, 1925. Leading business and professional men of the Middle West were present and joined in honoring these new Master Farmers.

The next year Master Farmer awards were made by several other Standard Farm Papers, and in 1927 awards were made in 21 states by the following Standard Farm Papers:

Prairie Farmer—Illinois 46, Indiana 21, Wisconsin 1; *Wallace's Farmer*—Iowa, 25; *The Farmer*—Minnesota 26, North Dakota 4, South Dakota 1, Wisconsin 1; *Nebraska Farmer*—Nebraska 20; *Ohio Farmer*—Ohio 32; *Kansas Farmer*—Kansas 15; *Michigan Farmer*—Michigan 24; *Pennsylvania Farmer*—Pennsylvania 9, New Jersey 1, Maryland 1; *Progressive Farmer*—Texas 27, Tennessee 10, Mississippi 10, Alabama 10, Georgia 10, North Carolina 24.

The *Farmers Wife* in 1927 inaugurated a similar plan of making awards to Master Homemakers, and made 125 such awards in 25 states. The *American Agriculturist* and the *Missouri Ruralist* expect to make Master Farmer awards in 1928, and the *Breeders Gazette* is considering a plan to make Master Stockmen awards on a similar basis.

The name "Master Farmer" and the plan of making Master Farmer awards are the property of the Standard Farm Papers. These papers feel that the movement is of such importance and significance that the standards must be kept on the present high plane, and no one is allowed to make awards without permission of the Standard Farm Papers.

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To Park or Not to Park

Chicago tackles its traffic problem by not parking

By RICHARD C. BURRITT

TO AN ordinance designed to prohibit parking in the Loop, or central business district, Chicago merchants courageously submitted early in January. The effects thus far unquestionably are beneficial. No one will dispute that the movement of traffic is swifter, easier and safer.

The law has weaknesses, but it can now be said that it has shown the city beyond question that the principle involved is good. It has shown further that the reasonable application of the rule cannot fail to help the city as a whole and put money in the pocket of business.

Officially Chicago houses in a position to demand and get what they want have not decided whether they approve of the parking ban in the Loop. Here and there opposition to the law has been expressed. Here and there the so-called smaller business man has complained that the ban is costing him customers and money by keeping motorists away from his doors.

After a careful, comprehensive review of the entire situation, however, I am satisfied that no proof of even the slightest injury to business can be established before competent judges. On the contrary the continuation of "no parking" will, I believe, contribute increasingly to healthy business by maintenance of better traffic conditions. Such conditions enhance the accessibility of buildings given over to commercial business.

The majority of business houses in the Loop district will continue in support of the plan. They may ask to have the present rules retained, or they may ask for another and a better ordinance; but it seems certain that the principle will be retained. If the law should be laid aside temporarily for political or other reasons, it will emerge again stronger than ever. Business will not be satisfied with a return to the old condition.

Traffic Speeded Up

CCHECKS taken by engineers of the Chicago Surface Lines under E. J. McIlraith already show a greater use of the streets with of course a considerable speeding up of traffic.

It is rather difficult to define what is meant by "no parking." The ordinance does not do so. The police do the defining. An earlier draft of the law stated specifically how long each kind of vehicle using the Loop might be permitted to stand.

The commanding officer of the traffic division of the police department says he is carrying out council instructions contained in the original draft of the ordinance. By the terms of these, he points out, passenger cars are permitted from

three to five minutes to let off or take on passengers, or to permit the driver or a passenger to stop and perform an errand or make a purchase in a hurry.

Commercial vehicles loading and unloading are allowed from ten to thirty minutes at the curb, he says. Patently, this is not "no parking." This is restricted parking. In Chicago's case it is parking restricted to the minimum. However, under further moderation of enforcement, it might become almost anything.

Major R. F. Kelker, Jr., one of the very few traffic experts in this country, and one of the chief proponents of better traffic control in Chicago, makes the point that in place of prohibition the law should say, "You can do thus and so and no more."

Resistance to Phraseology

FROM my own experience with the mental processes of Chicagoans, and people of other cities, I should say that his contention is essentially correct. Part of the opposition thus far directed at restricted parking in Chicago's Loop is coming from the rebellious attitude engendered by a "Thou shalt not." Any change excites favorable and unfavorable opinion.

"No parking" in Chicago's Loop, while an important step in traffic control and one, doubtless, that will and should influence traffic measures in many other cities, is, nevertheless, just one step in the improvement of traffic conditions. It is inseparably bound up with all the improvements that have gone before. It is inseparably related to all that will follow.

Freedom of movement and increased street capacity are the ever present needs that are served or injured by any changes. Those that serve freedom of movement and increased street capacity are retained; pressure of fact ultimately discards any inadequate measures.

Freedom of movement must be maintained, and increased street capacity attained to permit the city to grow in comfort. Chicago's streets are too narrow. They were laid out when none could foresee the traffic demands that would be made upon them. In the last few years the demands have increased tremendously. This increase has come from the piling up of tall office buildings in the central district.

Agencies interested in traffic control soon realized that the growth of the city was tied up with freedom of movement in the streets and the accessibility of buildings. Mr. McIlraith points out that one of the best-known buildings in New York this year had its taxes cut on the

plea that value has been destroyed by inaccessibility resulting from traffic congestion in the streets.

The Surface Lines operating the street cars—and these, by the way, carry 76 per cent of the Chicagoans served by intra-city transportation—made a start in traffic control by rerouting through the central district and by the elimination of left hand turns. Messrs. Kelker, McIlraith and others, assisted by Elmer Stevens, a sound-headed State Street merchant, started after a traffic survey of the entire city. It was managed through the Chicago Association of Commerce. This resulted in the establishment of a new city code.

Left hand turns eliminated in the Loop district, the question of controlling traffic by stop and go lights was next settled. This was brought about by the invention of an electric control board controlling individually traffic at each of the Loop street intersections. Studies were made of traffic needs at each intersection and a "staggering system" was devised by which it is possible for traffic bound in either direction on any street to continue smoothly and easily.

This system affords the greater good to the greater number. The heavier traffic street gets "the breaks," but traffic on other streets is not stalled in consequence. The exact timing of the lights at each of the corners was worked out from exhaustive traffic checks made under Mr. McIlraith. Guess work plays no part in determining how many seconds at any time of day shall be allowed north-south or east-west traffic at a Loop street intersection.

Elmer Stevens took a position which formed the basis of confidence from which the "no parking" experiment was possible. Engineers reported that amazingly few customers were driving to the Loop district to shop. Mr. Stevens investigated personally and found that the engineers were correct in their contention. Most people had thought that a considerable proportion of shoppers drove to the Loop to trade. The facts seemed all against the opinion.

This made possible the present law.

Transportation Was Jammed

BEFORE parking was "prohibited," Chicago's Loop was tied up in a transportation knot. There were times when one could wear out an extraordinary vocabulary in one passage through the maelstrom.

I pass in and out of the Loop every day, in lighter traffic hours and in rush hours. The increased comfort can hardly be stated, so great is the change.

JUST ONE

✓ JUST ONE WAY TO STOP THIS KIND OF CORROSION

There is just one way to safeguard metal roofs and sidewalls against the kind of corrosion they have to withstand *nowadays*.

That one way is to protect them with *external* coatings that will actually prevent fumes, acids and moisture from reaching the metal.

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RPM

It was the recognition of this fundamental truth that led to the development of Robertson Protected Metal (RPM). Corrosion has no chance at it. RPM is a corrugated roofing and siding sheet completely covered (surfaces and edges) with three permanent materials which are unaffected by corrosive agencies—(1) asphalt; (2) asbestos felt, and (3) a hard,

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Thus protected, RPM sheets have lasted for years, even in chemical plants where other roofing materials were eaten away in four or five months.

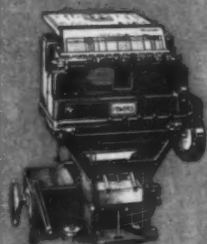
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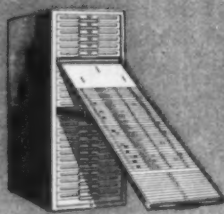
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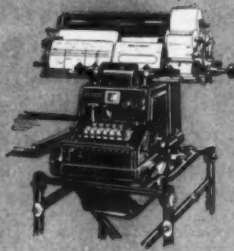
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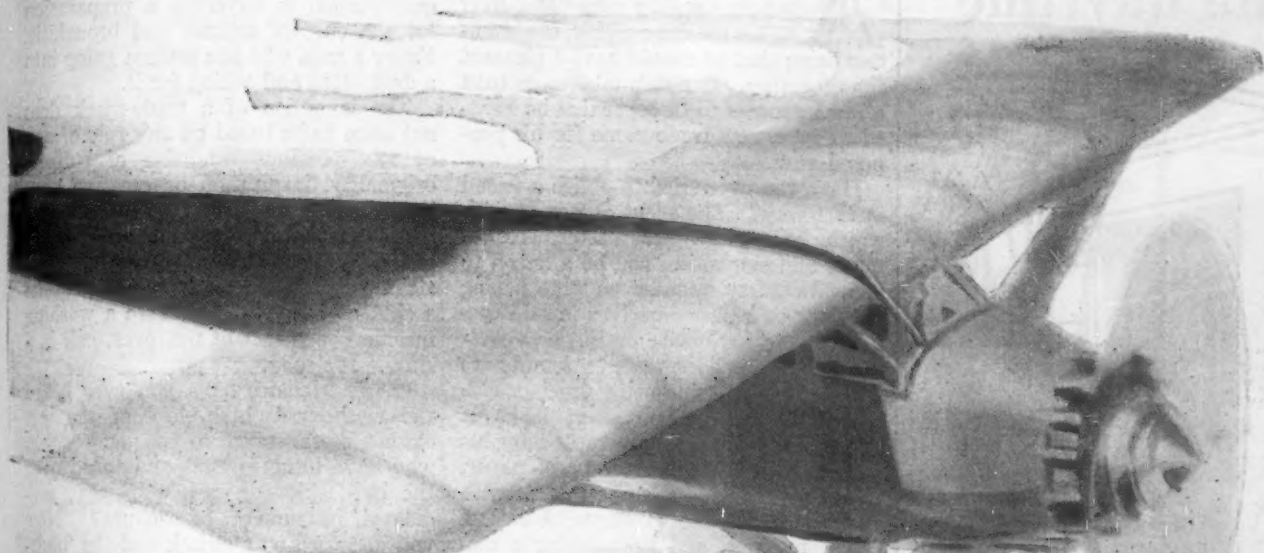


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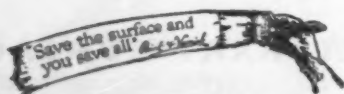
This has been proved so many times that it is almost an axiom.

Why not start your production on the up-grade by covering your plant interior with Lucas Great Daylighter Whites? And don't forget, it will not only shoot production up and bring down costs but it will reflect favorably in the quality of your product—which is important with every manufacturer.

The Great Daylighters, made in Flat, Eggshell and Gloss, are beautiful Whites, possessing great covering and hiding properties. They afford splendid service. For greatest utilization of light, use Great Daylighter Flat.

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When writing please mention Nation's Business

What Makes a Trade-Mark?

By THOMAS L. MASSON

A FRIEND of mine who had invented a new chewing gum came over to see me one evening, the intention being that we should have a pleasant time together. It didn't take more than a few moments to discover that he wanted to get a new trade name for his proposed gum.

Have you ever tried to oblige a friend in that way? The silent contempt with which he treats your masterpieces of magic and symbolism will be a lesson to you. In thirty minutes we were pacing the floor or hiding ourselves in odd corners, muttering incoherently.

After many desperate attempts to please him, each one being greeted with gnashing of teeth and silent looks of rage, and being also interrupted by his thrusting into my face scraps of paper, hissing to me, "What's the matter with this?"—after these attempts, I say, I finally ran out, and brandishing a dictionary in one hand and a blurred pencil stump in the other, I shrieked the unforgivable:

"Here we have it. I do not *chew* to run."

When the Vanquished Conquer

MEANWHILE, he had been working on Indian names. When you try to invent a trade-mark you must always work on Indian names. When the Indians have all been wiped out, this is the one thing that will endear them to a grateful posterity—the names they have contributed to hotels, sleeping cars, and sundry articles in common use.

My friend grabbed me by the throat and shouted; "I have it. What's the matter with *Petapog*?"

"What's that got to do with chewing gum?" I sneered.

"Everything. Take the word *Pet*. My gum is my personal pet. And *Pog*—*Pog* goes with *Jog*, we chew and we jog, and this leads us to *pog*. You have no imagination. You are a dub at this game."

In the end, he selected his own word. I shall not give him away; it is one of the tragedies of trade-marks. Months afterward I met him—a silent, melancholy man. He had blown in his spare wad on quarter page ads in the *Saturday Evening Post* and other media, advising everybody to chew *M—J—*, and nothing doing!

The trade-mark is a very mysterious thing. I recall quite well the first time I saw the word *Uneeda* as applied to a biscuit, and how ridiculous it sounded to me. Could it be possible that such an imbecile expression would ever pay? Yet we all know the result. And it is precisely this fact—which one never knows—that helps to inspire the makers of trade-marks to put over any atrocity, long or short.

Only the other day an application was made to the Patent Office to use

exclusively the trade-mark, *Stramo-Enquentracine*, to advertise a preparation for the cure of asthma and bronchitis. Fancy a man who has asthma going into a drug store and asking for it.

The invention of a trade-mark does not seem to be based on any rule of art, or any previous condition of culture, originality, inspiration or creative ability. A babe in arms might lisp a trade-mark that would spread around the globe. Anybody can do it, without restriction, provided one is willing to take a shot at Fate. If you have a washing machine you wish to put over, call it a *Blub*. It's easy:

"Dear Madam, have you ever heard the methodical 'blub-blub' of the wet clothes, as they yield to your efforts, you who have hitherto bent and toiled over the old-fashioned wash tub—that mediaeval instrument of torture? Now you just turn on a switch and the 'blub-blub' is music to your leisured soul. The *Blub* is the only machine on the market that—"

It is after you get your trade-mark going that the trouble begins, because if it happens to be successful, it must be protected from the depredations of others. And so you apply to the U. S. Patent Office. Remarks the assistant commissioner:

"No sign or form of words may be appropriated as a valid trade-mark which others may employ with equal truth and equal right for the same purpose."

For example, the word *Choispakt* is not entitled to be registered as a trade-mark for smoked fish and other similar goods, on the ground that this term is merely a phonetic spelling of the descriptive words *choice packed*.

"Clearly," goes on the assistant commissioner, "every packer and every trader in canned fish has the right to say they are 'choice packed.'"

Trade-Marks and Protection

THUS it becomes evident that a trade-mark which in the first instance has been selected purely by accident and has afterwards proved successful and become an important asset in a business, cannot always be protected from thieves unless it complies with the Patent Office requirements. It is therefore important that this question be settled clearly, and before the trade-mark has thus become successful.

A trade-mark differs from a slogan in about the same way that a consul differs from an ambassador. A consul merely represents his country. An ambassador not only represents but he advertises his country; he makes it appear in the best light. Once a consul begins his work, his functions are automatic, just as a trade-mark has no other mission in life, but to be a trade-mark; whereas ambas-

sadors are slogans. The slogan "Made in Germany" is an ambassador to all the other nations, but expressions like *Cortex*, *Galox*, *Palmolive* are consular in their activities, because they have no other activities except in representation.

They also have another interesting quality which it is well to indicate, their fixity. This quality can scarcely be said of any other word or symbol. A very large proportion of all words are going through constant changes of meaning. But a trade-mark is unique among words, inasmuch as it must always mean what it was made to mean in the beginning. The thing it stands for, be this a lotion, a machine, a household ornament, a clock, or a motor car, may change, that is, may be improved; but the trade-mark always stays on the job as a representative of that thing.

If the thing itself deteriorates (as sometimes happens) then we say that the *Blub* isn't so good as it was; poorer stuff has been put into the motor; it doesn't stir up the clothes the way it once did. But it is always a *Blub*, just as John Smith, who meanwhile may become a derelict, is still John Smith. A trade-mark of course depends upon the thing it stands for. If that thing lacks push, if it deteriorates, then it may disappear, along with the trade-mark. But once a trade-mark, always that same trade-mark.

The word *Flivver* is not a trade-mark, but rather a term of affection or rage, as the case may be. But the word *Ford* as applied to a certain make of car, is what may be called an unconscious trade-mark. The car may change, but (this may be considered a subtle joke) it is always a *Ford*.

Trade-Marks Must Be Used

I SUPPOSE that before you can get a trade-mark patented or protected by copyright, or whatever is necessary to make you feel comfortable, you must use it first. All applications addressed to the Patent Office are accompanied by the expressions "Claims use since—" after which the date is given.

Here is an application which was filed Nov. 12, 1927, for the trade-mark *Alta*, representing a soda and baking powder, of which the manufacturing company claims the use since 1875. *Barbasol*, on the other hand, for which an application was filed Nov. 21, 1927, has been used as a trade-mark only since November 9, 1927. This is a case where the manufacturers lost no time in protecting a trade-mark for which they were expending thousands of dollars in advertisements.

I have stated that a trade-mark is not based on art or design, yet I must immediately qualify this, since it is quite reasonable to conclude that it must, to be successful, be based on ordinary common sense. In the first place, it must be simple enough to catch the eye and ear. It may be very foolish but it must be simple.

Within a week of the application filed

3 Profit Advantages of Natural Stone

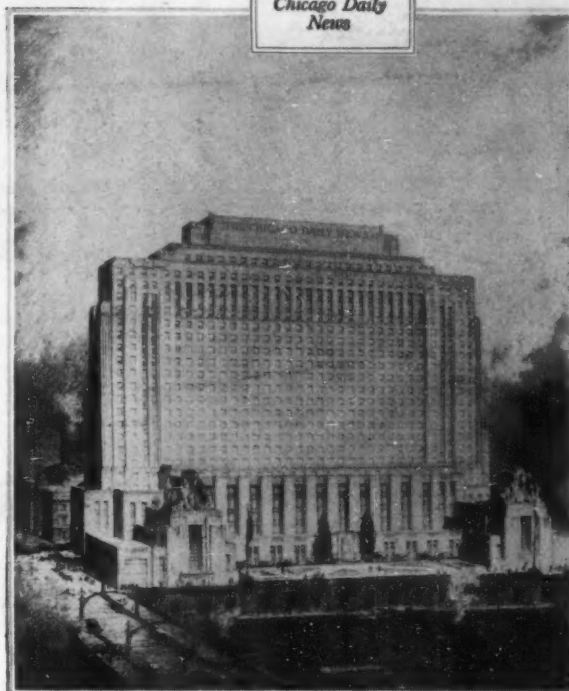
As Modern Business Sees Them

- 1 Indiana Limestone buildings yield the highest income because they attract the most desirable tenants.
- 2 Walls faced with Indiana Limestone rarely need cleaning, pointing or caulking and other repairs. The exterior upkeep cost is lowest of any.
- 3 Bankers and mortgage firms regard the permanency and durable, good appearance of Indiana Limestone with favor. Thus builders are often able to secure better terms.



Walter A. Strong,
Publisher
Chicago Daily News

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Chicago Daily News Building, now under construction at Washington, Canal and Madison Streets. Holabird & Root, Architects. The entire building is to be faced with Indiana Limestone

MORE and more the business world is realizing the ultimate profit advantages of building of Indiana Limestone. Buildings faced with this beautiful natural stone have won more prizes in recent years than those constructed of any or all other materials. The public is quick to appreciate the unequaled beauty and desirability of the modern stone structure.

New ways of producing and fabricating Indiana Limestone, coupled with large-scale production, enable this fine natural product to compete successfully in price with much less desirable

building materials. We ship Indiana Limestone to all parts of this country and to Canada. With assets of over \$46,000,000.00 and branch offices in the leading cities, this company is able to render an unequaled standard of service in connection with all projects, large or small.

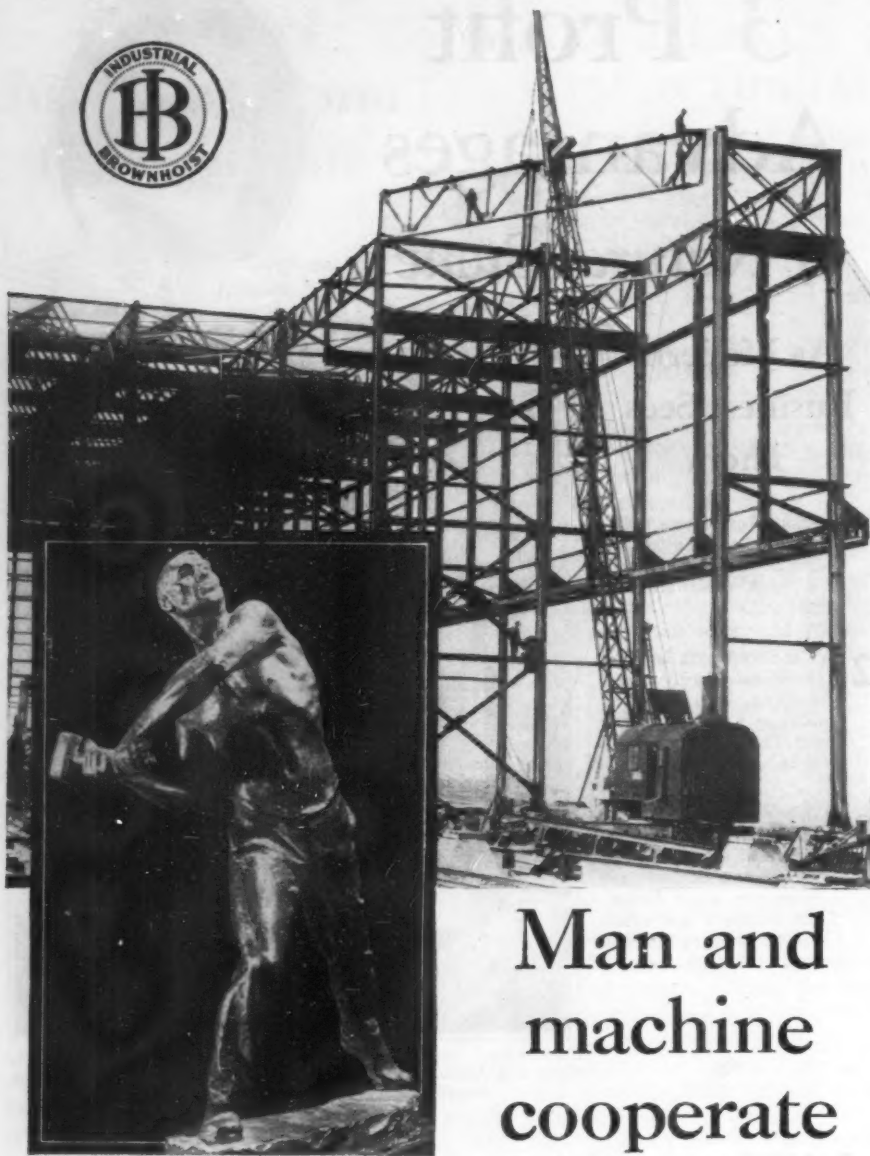
Let us tell you more about the merit and economy of Indiana Limestone for the particular type of building you are interested in and supply you with literature showing similar buildings constructed of it, mailed free on request. Address Service Department, Box 740, Bedford, Indiana, stating type of building.

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General Offices:
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Man and machine cooperate

Silhouetted against a clear sky the skeleton frame of a huge building...ant-like figures of men swinging in space...the rhythmical drone of pneumatic hammers, and towering above the highest peak, the boom of an Industrial Brownhoist crane is seen swinging a five-ton girder into place.

Handling plays a costly part in erection work, just as in every other phase of industry. Keeping these costs at a minimum is essential and, like the great industrial plants, the country's leading structural engineers agree that the best way to do this is by the use of good crane equipment.

Industrial Brownhoist, with over fifty years experience, is ready at all times to send one of its experienced representatives to help you work out your material handling problems.

Industrial Brownhoist Corporation

General Offices: Cleveland, Ohio

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INDUSTRIAL BROWNHOIST

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for *Barbasol*, another was filed for goods known as astringents, bleach creams, cold creams, obesity creams, etc. And the trade-mark is given as *Djer-Lady*. What does this mean? I defy anybody to pronounce it off-hand.

Just Where Is the Limit?

AS LONG as you are going on the principle of making it as hard for the customer as possible, why not go the limit? The people of Wales are notable for their fine complexions. Why not take the name of one of their celebrated poets, and adopt it as a trade-mark for your skin lotion? It would then read:

Gruffudd Llwyd ab Dafydd ab Einion Llygliw

Here is a man who wants to protect the trade-mark *Mermaid*, which is a "water-proof shower curtain for shower baths." In inventing a trade-mark, we must consider every use to which it may be put. For example, it would be embarrassing to call up your local furnisher, —who presumably might have this popular article in stock—and say to him: "Send me over a complete set of *Mermaids* for my bathroom."

Then again, in their efforts to describe their production, many try too hard, and the straining for effect appears in the trade-mark. Thus *Acoustifelt* as a sound-deadener, *Hairlife* for bald heads, *Zip-o-Link* for certain kinds of cuff buttons.

The fact is that a trade-mark ought to be a good deal like a presidential candidate—coherent, colorless and companionable, without offensive suggestions or attachments. Indeed, it is what you don't suggest, rather than what you do, that counts in candidates and trade-marks. *Nuf-4-Two*, a recent applicant which represents jellies and relishes, may have sex appeal, but it hasn't what Elinor Glyn calls "It" so far as a practical advertising asset is concerned. Try it on your grocer:

"I want — packages of *Enough for Two*. You know what I mean."

And I have puzzled my poor brains for a long time over the value of the term *Bryvory*, as applied to a safety razor. Very likely it may be the name of the inventor, which will bring a glad smile of welcome to Messrs. Schick and Gillette.

It is a question whether compound or hyphenated words are any good anyway, for the purpose. Here we have *Auto Match* for a cigar lighter, *Hi-Puff* for an oleomargarine, *Soo-Pere-Yor* for canned salmon and *Hotsy Totsy* for a soft drink. But does any soft drink suggest hotsy tots?

A better trade-mark for canned salmon is another for which application has been made, namely *Sokan*, which seems to have a remote onomatopoeic resemblance to the Indian, and recalls an incident which happened to another friend of mine who sometime ago brought a big Indian chief on to the metropolis as his guest. He fed the chief on table

d'hotes and other Manhattan cooking, until at the end of a week he was completely knocked out. About the only thing the big chief could then say was, placing his hands across his stomach and groaning:

"No can do."

But my friend brought him smiling back to life by shutting him up in a hotel room and feeding him on canned salmon. It may have been the *Sokan* brand.

As for canned stuff, *Adora* (a recent application) seems a fairly good and descriptive trade-mark for the production: canned peaches. But the words *American Love*, for a brand of coffee, seem a trifle strained. The well-known *Sanka* is better.

As for the onomatopoeic values, what do you say to *Aloha* for canned raw oysters? How do you feel when you have said it a few times? Possibly like the man in the song who kept leaning over the vessel's side and throwing himself away.

There have been four applications recently for the trade-mark *Honeymoon*: one for talcum powder, one for wheat flour, one for silk productions, and one for hams and bacon. The last is not so far off as it seems. After you have been on a honeymoon for four or five days, a good dish of ham and eggs—as the Prince of Wales says—is not to be despised.

As for *Hoot Mon* in connection with hose supporters, I fail to get the idea, but it may mean that, as Scotchmen, like flappers, love to expose their legs and frequently wear garters, these same garters must be good to hold the hose.

When is *Hopski*?

ALSO, *Hopski*, which is described as "a fermented-malt liquor of low alcoholic content," does not seem quite to fill the bill. It is like one who promised more than he can perform. In short, a low alcoholic content does not make one hopski, not that you could notice.

But perhaps of all the words in the alphabet, the one most overworked for trade-marks is *Vita*. It would give you the St. Vitus dance to go through the list.

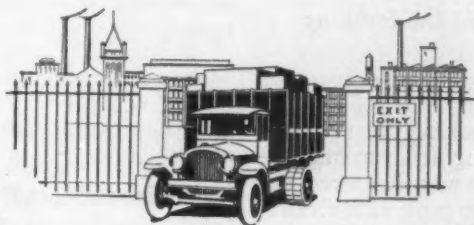
The difficulty of getting good trade-marks was shown last year by the motor car manufacturers, in the search for names of new special cars they were introducing. Many of them offered large sums of money.

But here we have quite a different kind of trade-mark from one which is used to represent what may be called a bodily affair, like *Barbasol*, or *Unesda*, or *Palmolive*. And here, also, the value of a well-known name can be understood, for a car is in many ways like a human being. Thus, we have *The President*, *LaSalle*, *Lincoln*.

There is probably no better trade-mark than a man's name, if it be the right kind of a name. *Mrs. Winslow's Soothing Syrup* and *Pear's Soap* are the twin protagonists of the teething period of the Twentieth Century.

Here, Gentlemen of the Committee, is the answer of one industry

*No. 7 of a series inspired by the report of the Secretary
of Commerce's Committee on Elimination of Waste*



A ONE-WAY STREET PRODUCTION POLICY

IN TELEPHONE making, production schedules move in one direction—forward. The machinery seldom needs to be thrown into reverse.

Cancellations in this industry are rare.

There is consequently little lost effort involving men, material and machines.

There is a minimum of waste in scrapping or storing partially fabricated parts.

How is this possible?

Because of the close relation between Western Electric as purchasers, manufacturers and distributors and the operating telephone companies of the Bell System served by it.

Here is another striking economy which contributes to the low cost of your telephone service.

Western Electric

Purchasers... Manufacturers... Distributors

SINCE
1882
FOR THE
BELL SYSTEM



Herbert Hoover's *Business Philosophy* (Continued from page 16)

the supply of this leadership cannot be replenished each generation by selection, like queen bees, or by divine right, or through bureaucracies.

"The great American experiment in democracy is based upon a new conception in selection of leadership, which the prophets of our impending decay oft overlook. This conception is, first, that in the great mass of our people there are plenty of individuals of intelligence from among whom leadership can be recruited; and, second, that if we maintain for every individual an equality of opportunity to attain that position in the community to which his intelligence, character, ability and ambition entitle him, and if we stimulate him to endeavor, then our supply of leadership will stream forward of its own initiative.

We Have Good Leaderships

"A GROUP of critics has informed us that as each succeeding generation elaborates its social and economic environment and thus increasingly complicates the problem of living and working, the time is likely to come when the structural overloading will be so great that civilization will collapse, either by inability to provide leadership or by revolt against the whole thing. All of which is based upon the hypothesis that we do not have in our country sufficient material for leadership and direction of the vast agencies of modern civilization.

"Here in America we have conclusively demonstrated that our Nation possesses within its ranks a vast reservoir of leadership. Were we to consider the twenty thousand men who dominate our economic, political, educational and spiritual activities, I dare say you would find that 90 per cent of them have either themselves sometime earned their living by manual labor or had fathers who did.

"Now the only door to equal opportunity is education. All of the other factors that make for equality of opportunity are insignificant compared to an equal chance to obtain the highest physical, moral and intellectual equipment which our schools afford. Great administrators, engineers, lawyers, moral leaders cannot be made by birth and money.

Education Is Essential

"THE creation of an efficient system of universal and free education, with its progress stage by stage from the lowest grade in our public schools to the highest training in our universities and colleges, has thus become a primary responsibility of every state. It is a right of every youth in the state.

"By building this open stair we set up a fundamental protection to our democracy itself, for it is the maintenance of leadership by the rise of the individual out of the mass, which assures us against the crystallization of classes or special groups. No stratification or segregation of classes or castes can take place in a mass

livened by the free stir of its particles. It is in this particular, this stressing equality of opportunity for the whole mass, that our national experiment has fundamentally departed from those of the democracies of the old world.

"We may not have clearly envisaged this ideal at the founding of our republic, but through the interaction of our laboratories in Government we have gradually moulded it into our social system. We may not always be perfect in providing this equality of opportunity, but the instinct and the ideal are strong within us.

"As time goes on, we require larger and larger proportions of leaders. Some have said that college and university education is not fitting our citizens for leadership. That is untrue. It is not always perfect in its results, but our civilization is becoming too complex for untrained men to be of use. At one time the whole of our national activities were simple enough to be conducted by the man of general experience. Today our leaders must be experts; they must be specialists.

Science Must Be Organized

"THIS civilization of ours is built upon our scientific discoveries. Scientific discovery has now become a question of systematic research. The day of the inventive genius in the garret has passed, if it ever existed. Discovery in the future must be erected upon a vast structure of scientific knowledge, of liberal equipment, and of the work of many devoted men. It is a process of accretion. Like the growth of a plant, cell by cell, the adding of fact to fact some day brings forth a blossom of discovery, of illuminating hypothesis.

"Most of our scientific research must be done in universities, our agricultural and engineering colleges, for it must be supported by the public. No amount of practical farming can discover the method of uprooting the Boll Weevil. That has to be found in our laboratories and our experimental stations. In the soil of science are found the seeds of our modern industry and commerce."

Mr. Hoover has no fear that mass production ultimately will hurt the masses. He does not believe as many persons do that the mechanization of industry, will take the job away from the man and that sooner or later machines will be able to produce the needs of humanity so rapidly that the world's requirements can be met in a three-day work-week.

"Then the progress in efficiency," as stated in Mr. Hoover's latest annual report, "is brought into sharp relief by

comparing the increase in the product of agriculture, mining, manufactures and railways with increase in the number of persons employed in these branches. The addition of 140 per cent to their output between 1899 and 1925 was achieved by adding only 34 per cent to the number of workers. This means a gain in production per worker amounting to nearly 80 per cent. The increase has been shared by all the major branches.

"The increase in production per worker during the past quarter of a century has taken place in the face of a decided reduction in working hours. On the average, working time per week in manufacturing industries is today about 11 per cent less than in 1909, the first year for which comprehensive data was collected. It is probable that since 1899 the average working day in all branches of industry considered together has been shortened fully 15 per cent. The workers have reached double advantage from expanding output—by increase of their wage, and by reduction in their hours of labor.

"Now let's see what greater productivity per worker means to the working man himself. It releases men from the production of many articles thus enabling them to go to work on the production of articles that are an addition to the common pool. The effect is to decrease the cost of the first row of articles. People are able to buy more cheaply, and their desires turn to new things.

"The Electric Light was invented and the whole line of electrical development was opened up. Someone, the identity of

the person is still a matter of dispute, invented the Gas Engine, and the gigantic motor industry of today is the result. Another man discovered the Radio Beam, and the Radio industry sprang up overnight.

In five years the retail sales of Radio has amounted to nearly \$2,000,000,000. Our figures on these sales from 1922 to 1927 show they totaled \$1,936,550,000.

"Labor is freed from one industry only to be taken up by another. The number of persons engaged in agriculture now is 20 per cent less than it was eight years ago, but as much food is being produced in this country. Labor saving devices have made this possible to a large extent. The personnel to population in the producing industries is not as large as it used to be, but in the last eight years there has been a great increase in the service industries.

One million more men have gone into the Restaurant and Hotel business, and Gas Service Stations, indicating that fewer

"ONE MILLION more men have gone into the restaurant and hotel business and gas service stations, indicating that fewer persons are eating at home, and more of them are traveling in motor cars. This represents an increase in the standard of living"



You May Be Shipping Dollars AWAY

NEW shipping methods are not adopted because they are new, but because they represent definite savings in time and money.

Manufacturers everywhere are awake to the necessity of safety and economy in shipping. The improvements and economies already effected in your packing methods are doubtless all right, as far as they go—but an experienced H & D Package Engineer is specially

trained to find the one best method of packing and shipping with maximum economy.

You may be shipping unseen profits in every out-going consignment. If you are, the H & D Package Engineer can quickly and clearly demonstrate how to stop this leakage. The expense to you of an H & D Package Engineer's analysis of your shipping requirements is only the cost of a letter requesting his services.

THE HINDE & DAUCH PAPER COMPANY
304 Decatur St. Sandusky, Ohio

Only a satisfactory Shipping Box, properly and punctually delivered, can account for the ever increasing number of firms who ship in H & D Corrugated Fibre Shipping Boxes.



An H & D Package Engineer will be glad to place at your disposal the knowledge gained through a thorough and practical study of shipping and packaging methods.

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Estes Service
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The new De Luxe Volume above is just off the press. It is valuable to executives. Copies will be gladly sent on request. Write for yours today.

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Industrial Engineers

4753 Broadway
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persons are eating at home, and more of them are traveling in motor cars. That represents an increase in the standard of living.

"There is a marked change during this last 25 years of employers and employees toward wages and conditions of labor, especially in the larger units of production, and service, and the larger trades unions. It is not so many years ago that the employer considered it was in his interest to use the opportunities of unemployment and immigration to lower wages irrespective of other considerations. The lowest wages and longest hours were then conceived as the means to attain lowest production costs and largest profits. Nor is it many years ago that our Labor Unions considered that the maximum of jobs and the greatest securities on a job were to be attained by restricting individual effort.

We Change Our Minds

BUT we are a long way on the road to new conceptions. The very essence of great production is high wages, and low prices, because it depends upon a widening range of consumption only to be obtained from the purchasing power of high real wages, and increasing standards of living.

"Today the majority of employers in time of desperation exhaust every device to make ends meet before resorting to wage reduction. They turn to labor-saving machinery, to constant research for better processes, and better administrative methods. In turn the pressure of high wages is forcing labor-saving devices and better administration to an extent which oftentimes reduces labor costs per unit of production below even those of the cheaper labor abroad."

Water-power, which Mr. Hoover touched on only lightly in his speech of acceptance of the Presidential Nomination, was dealt with at some length in a speech at Seattle when he said: "Water is today our greatest undeveloped resource. Our streams and rivers offer us a possible total of 55,000,000 horsepower and of this less than 11,000,000 has been developed. Of our 25,000 miles of possible inland water ways probably less than 7,000 miles are really modernized, and the utility of much of these 7,000 miles is minimized by their isolated segments of what should be connected transportation systems. We still have 30,000,000 acres of possible reclaimable and irrigable lands.

Conservation Means Use

TRUE conservation of water is not the prevention of use. True conservation is to get our water at work. Before the expiration of the years required for major construction, we shall need more food supplies than our present lands will afford.

"Today there are many economic distortions in agriculture and industry due to the necessary increases in freight rates from the war, which can be greatly cured by conversion of our inland waterways

into real connected transportation systems."

Concerning the question of the Government in business, Mr. Hoover says:

"Uncle Sam should be an umpire and not a player in the economic game, but when legislation penetrates the business world it is because there is abuse somewhere. A great deal of the legislation to put Government in business was due to the failure of business to organize so as to correct its own abuses. Sometimes the abuses are more apparent than real, but anything is a handle for demagoguery. Too often when Government takes a hand in business it becomes the prosecutor instead of the regulator."

Laws Do Not Make Men

IN A speech delivered before the Chamber of Commerce of the United States in 1924, Mr. Hoover said: "National character cannot be built by law. It is the sum of the moral fibre of its individuals. When abuses which rise from our growing system are cured by live individual conscience, by initiative in the creation of voluntary standards, then is the growth of moral perceptions fertilized in every individual character.

"Our Home-Made Bolshevik-minded critics to the contrary, the whole economic structure of our Nation and the survival of our high general levels of comfort are dependent upon the maintenance and development of leadership in the world of industry and commerce. Any contribution to larger production to wider diffusion of things consumable and enjoyable is a service to the community and the men who honestly accomplished it deserve high praise.

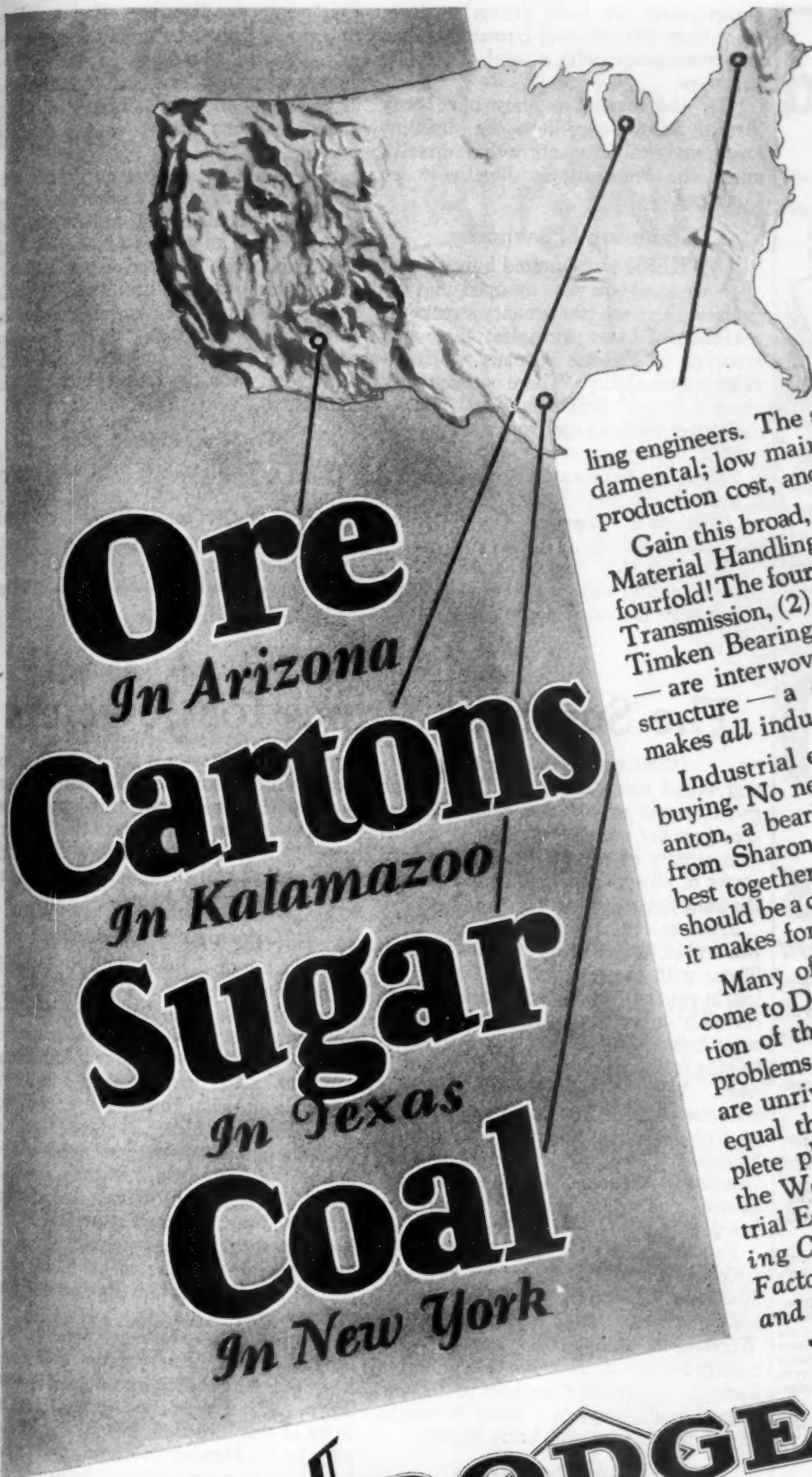
Business More Helpful

THE attitude of business toward Government is becoming one of increasing helpfulness. In the department which I have headed for seven years, intimate contracts have been established with trade, industry and the consuming groups.

"There has been constant endeavor to bring about a better understanding and a more concrete cooperation between Government and the legitimate purposes of business. The industries themselves have been consulted, on innumerable occasions, their advice has been sought. Their recommendations have been very extensively followed.

"We have laid much stress on the elimination of waste and the cost of distribution, but the Government itself has yet to put its own house in order when it comes to the reduction of waste in government through a reorganization of executive departments. Of course, much has been done already in cutting down the expenses of the Federal Government. We have reduced our annual expenses about \$2,000,000,000 a year from the war-time figure, resulting in an average saving to the American family of something over \$150 a year, but there are still things to be done.

"On the executive side of the Federal



Ore
In Arizona
Cartons
In Kalamazoo
Sugar
In Texas
Coal
In New York

EACH a specific industrial conveyor problem—complicated by individual circumstances—restricted by unchangeable conditions—yet solved by alert Dodge Material Handling engineers. The solution in each case was fundamental; low maintenance cost leading to low production cost, and increased profits.

Gain this broad, national picture of the Dodge Material Handling Division—then multiply it fourfold! The four divisions of Dodge—(1) Power Transmission, (2) Material Handling, (3) Dodge-Timken Bearings and (4) Special Machinery—are interwoven to form a strong, capable structure—a complete organization which makes all industrial plant equipment.

Industrial economy dictates centralized buying. No need to buy a pulley from Pleasanton, a bearing from Bessville and a shaft from Sharon. Parts made together, work best together. Your production equipment should be a complete unit—like the product it makes for you.

Many of America's leading industries come to Dodge regularly for the best solution of their equipment and production problems. Dodge facilities and service are unrivalled—no one organization can equal them. Individual units or complete plant equipment from Dodge—the World's Market Place for Industrial Equipment. Dodge Manufacturing Corp., Mishawaka, Indiana. Factories at Mishawaka, Indiana, and Oneida, New York.

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The Four Divisions of Dodge
POWER TRANSMISSION—Complete equipment for the transmission of power. Every type of pulley, hanger, pillow block, etc.

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DODGE-TIMKEN BEARINGS—For power transmission and machine application. A type for every service.

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Years of experience and careful research enable us to manufacture highest quality Galvanized Sheets for roofing, siding and all purposes to which zinc coated sheets are suitable.

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APOLLO BEST BLOOM GALVANIZED has been the leader since 1884—and is well known for its ductility, its splendid coating, and general excellence.



APOLLO-KEYSTONE GALVANIZED embodies all the excellent qualities of the Apollo brand, and in addition has a Keystone Rust-resisting Copper Steel alloy base. These sheets last longest for roofing and siding, spouting, and all exposed sheet metal work. Keystone quality also excels for tanks, culverts, flumes and similar uses.

Fortin roofs for residences and public buildings, use Keystone Copper Steel Roofing Tin Plates; clean, fireproof, durable and satisfactory.

This Company is the oldest and largest manufacturer of a complete line of Black and Galvanized Sheets, Full Finished Sheets, Automobile Sheets, and Special Sheets for all known uses; also Tin and Terne Plates adapted to every requirement. Sold by leading metal merchants. Write for copy of our BETTER BUILDINGS booklet—also our ROOFING TIN booklet.

AMERICAN SHEET AND TIN PLATE COMPANY
General Offices: Frick Building, Pittsburgh, Pa.

AMERICAN SHEET STEEL

Products of QUALITY and Service!

When writing please mention Nation's Business

Government, we have grown to have more than 200 different bureaus, boards and commissions with a total of 550,000 employees.

"For the most part they have been thrown hodge-podge into ten different executive establishments either directly under the President, or directly under Congress.

Confusion of Authority

"AS THESE two hundred bureaus and agencies are now grouped and organized, there are two primary streams of confusion of basic principles; there is a grouping of Federal Bureaus which divides responsibility. There consequently arises a lack of definite national policies and direct wastes arise from overlap and conflict.

"There are too many floating islands in this dismal swamp. They are technically anchored to the President, but really responsible to nobody.

"With all this division of authority, there continues and multiplies a self-propelled urge for expansion of Federal ac-

tivities in every direction. Bad coordination among industries finally comes home to the people as a whole in the form of increased prices, and bad organization in Government comes home in many more directions than even the taxes it wastes.

"He would be a rash man, who would state that we are finally upon the golden stair to the industrial millenium, but there is great hope that America is finding herself upon the road to a solution of the greatest of all her problems. That is, the method by which social satisfaction is to be attained with the preservation of private industry, initiative and a full opportunity for the development of the individual.

To Make Better Men

"IT IS true that these economic things are not the objective of life itself. If by their steady improvement we shall yet farther reduce poverty, shall create and secure more happy homes, we shall have served under God to make better men and women."

The Sun Still Shines for Jewelers

(Continued from page 24)

and talent come high. Of the average gross margin of 40.9 per cent, 17.1 per cent goes for wages, according to the recent survey of several hundred jewelry stores of all types made by the Harvard Business School.

Jewelers are realizing that quality is preferable to quantity in advertising. Those with the greatest net figures are low in expenditure for advertising. It is certainly no secret that the trade is somewhat behind the times in its methods of talking to the public through the printed page. Very few jewelers can make an advertisement as attractive and inviting as they commonly make their display windows. And yet, the merchandise handled is the most appealing and romantic and interesting which man has yet devised.

For one thing, the whole industry has suffered from the exaggerations of a few. Reliability is more than an asset to a reputable jeweler. It is a vital necessity. When a firm advertises "perfect" diamonds for one or two hundred dollars a karat, he is hurting the whole profession. A perfect diamond of a karat in weight of the finest color will bring \$1,000.

Perfection Is Relative

PRACTICALLY speaking, there is no such thing as a perfect diamond. One stone may be much more nearly perfect than another and yet contain imperceptible flaws.

Size, skill in cutting, and the degree of perfection all are important elements in determining the price of these precious stones, but color and brilliancy are the essential characteristics.

A troublesome element to the legiti-

mate diamond trade is smuggling. Some experts have estimated that half of these gems sold at retail for the last several years have been shipped into this country from Europe surreptitiously. The high duty makes the diamond an easy and inviting smugglers' item.

Organizing the Trade

THE lines of division within the trade are not sharply drawn. There are manufacturers, wholesalers and retailers, to be sure, but there are as well manufacturing wholesalers and manufacturing retailers. At present there is being formed a Jewelry Institute. It will not replace any existing trade association, but will function in somewhat the same fashion as the Petroleum Institute, the National Wholesale Dry Goods Association, or the Cotton Textile Institute. It will be, according to the present plans, an agency to gather pertinent facts, with special attention to the ills and troubles of the trade.

The future for the retail jeweler is at least not dark. Every type of business has been told that it must get its costs down. The average jeweler has farther to go in this direction, but strangely this may be his blessing in disguise. He has been able to make some net return in the last few years in spite of his operating expenses.

These expenses will undoubtedly be cut somewhat, and the difference split between the public and the merchant. Chains may encroach more than they have, but the place for the independent seems everlastingly assured, for human nature never becomes completely standardized, although stores may seem to approach that state.

4 QUESTIONS for EVERY BUSINESS MAN

WHETHER you sell goods in Piedmont Carolinas, or sell *against the competition* of Piedmont-made goods in the markets of the nation, there is meat for you in these facts:

For the fourth year hand running this section has set a record in the sale of electric ranges. (Were they *your* make?) Do people who are not prospering buy that type of merchandise?

Automobile registration has increased 214% faster than the National average. (Were your cars among them?) Do people buy automobiles except when times are good with them?

Building activity here, in dollars per capita, is 66% higher than for the country at large. (Are your materials going into those Piedmont homes and factories?) Is there any better index of a region's prosperity?

Consumption of electrical current here has grown 100% faster than the nation's average. (Are your appliances helping to build that load?) What better indicator is there of the region's industrial busyness!

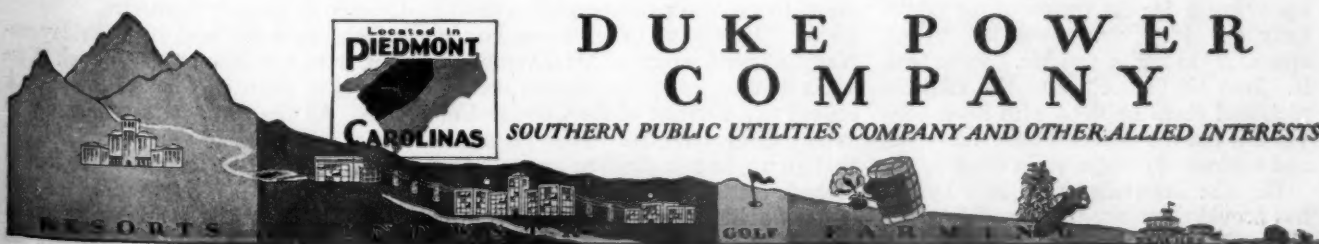


No matter what you make or what you sell, Piedmont Carolinas offers advantages in manufacture and opportunities for selling that are difficult to match. In many lines—as shown above—the opportunities are *not* matched.

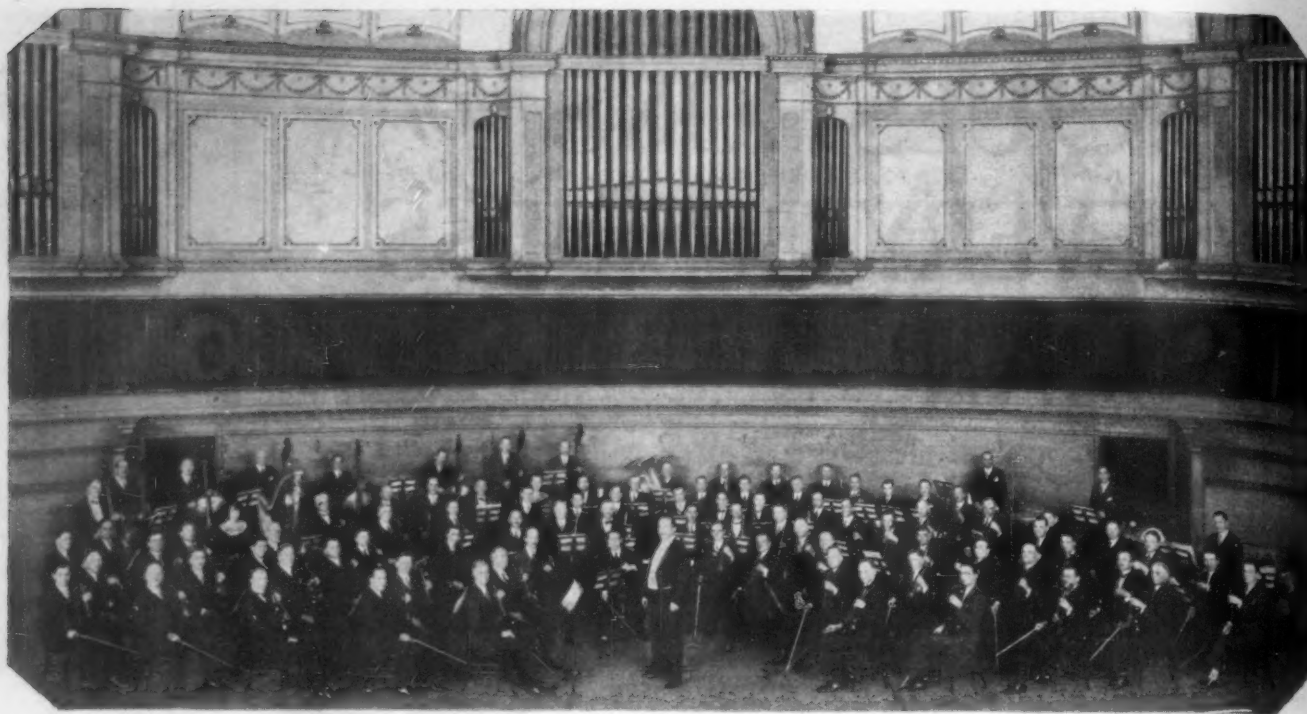
You need the facts—all the facts—about this too little known land of opportunity.



SEND for the book shown here. It will help you to understand the causes behind the prosperity and buying power of Piedmont Carolinas and to appreciate the unusual advantages offered here to industry. Address Industrial Dept., Room 118, Mercantile Building, Charlotte, N. C.



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A Little Music Now and Then—

Being an account of the orchestra composed of Chicago business men

By RAYMOND WILLOUGHBY

TWO big bass viols standing at ease in the office of a Chicago merchant help to explain the increasing fame of the Chicago Business Men's Orchestra. It takes more than a bull fiddle to earn distinction in a symphony concert, of course, but if anybody can make light of a bass viol and get away with it, that man is George Lytton, organizer and president of the Chicago Business Men's Orchestra.

That reputation started with a gate-man at the Grand Central terminal in New York. He was sure that no one could get through the gates carrying anything so bulky as a large bull fiddle. No, sir, not even George Lytton, executive vice president of the Hub Store in Chicago. Mr. Lytton thought differently. Taking tighter hold of his precious fiddle, bought at the last minute, he elbowed his way past the gateman, and hustled toward the waiting "Century." Then the conductor refused his offer to buy an upper berth for the repose of the fiddle. Only one other course was left to get space for the fiddle, and Mr. Lytton took it. Into his "lower" went the valuable viol, and there he slept with it—a convincing enough demonstration that art and business do mix, even in dreams.

But the knowledge that Mr. Lytton has provided twenty-two bass fiddles for orchestral use in his home town is sufficient to rate him a public benefactor, as

well as a lover of music. Eight of the instruments he has given to the Business Men's Orchestra, and eight to the Civic Orchestra, of which he is the treasurer. Two are kept in his office on the eighth floor of the Lytton building at State street and Jackson boulevard. One is kept at his home in Highland Park, another at his home in Biloxi, Mississippi, and others are scattered about the city to eliminate the need for transportation.

The Lure of Music

IT IS plain to all beholders that the fiddles are centers of musical contagion. Once a man lays bow to any one of them, and makes his own sound, he is lost, so to speak. That was the way it was with Mr. Lytton. A little amateur orchestra in the suburban community in which he lived needed a bass viol player. Its members wanted him to learn the instrument. One night they took him to a restaurant which had a string sextet, and then introduced him to the man who played the big fiddle. "He's going to teach you how to play," a friend informed Mr. Lytton.

Six months later, Mr. Lytton was accepted as a member of the Chicago University Club orchestra. While playing in that group, he was asked to form a larger orchestra which would be constituted entirely of business and professional men. That was five years ago. Organized as a non-profit corporation with sixty mem-

bers, the orchestra has grown to a membership of ninety-four, with a minimum attendance at rehearsals of seventy-five members.

No professional musicians are included, although several of the members began their careers as musicians. By reason of the proficiency developed in the orchestra, some of the younger men have been able to take up music professionally, and have joined the Union so that they may accept assignments with remuneration in addition to their business incomes.

Through that arrangement many of the younger members have been able to continue their music study, and many of the older members, who had virtually given up their instruments, have resumed lessons and practice as an incentive to go on with their musical life. Along with these benefits, the members are gaining a useful knowledge of orchestra routine under the competent leadership of Clarence Evans, first viola of the Chicago Symphony Orchestra.

Rehearsals are held every Friday evening from 6 o'clock until 9 o'clock at the Hub, the store of Henry C. Lytton & Sons. All the "strings" must be in their chairs by 6, and all the "woodwinds" by 6:30. The entire evening is given to practice, and there is no time for good fellowship. And as for hanging around after rehearsal, who would grudge the eight bass fiddlers a quick trip to home

and rest after three hours on their feet? There are no penalties for tardiness or absence except the dropping of any member who is absent three times without permission or a proper reason. In five years only one member has failed to live up to his obligations.

The repertoire includes all of the standard symphonies and overtures, and accompaniments for violin, piano, and voice. A glance at a representative program suggests the scope of the orchestra's attainments—a composition by Tchaikowsky, an aria from Gounod's "Romeo and Juliet," and symphonies by Chausson and Debussy.

Opportunity for giving concerts has been limited because the orchestra in no way competes with professional musicians. It is a present hope that tours can be made, but the matter of expense has so far prevented fulfillment. Several groups within the orchestra have been formed for ensemble playing. The happy consequence for 30 or 40 members has been a worth-while change of their whole recreational life.

Business Men Only

DEFINITION of the orchestra as a business men's organization is made good by the most casual reference to the roster of members. Henry Lytton is a member of the bass fiddle section. Lloyd Steere, of the French horn section, is vice president and general manager of Chicago University. George Knutson, who presides over the timpani, is a financier. Bennett Griffin, vice president of the orchestra, is in the insurance business.

S. V. James, the concert master, is a chemical engineer. Avern Scolnik, who plays in the third stand of violins, is an attorney. Dr. Stecher, another violinist, is a dentist, and formerly had his own orchestra in one of Chicago's theatres. C. Babbe, principal in the French horns, is in the sign advertising business. Mr. Rueff, principal in the oboe section, is in the financial department of the Commonwealth Edison Company. D. Kennedy, third flutist, is a member of the Central Trust Company.

It is plain that the fiddles in Mr. Lytton's office stand for something. In one aspect they symbolize his intelligent and enduring zeal in promoting good music among business men. In their more practical character they provide the means of testing prospective fiddlers.

The board of directors has found that a little "showing off" now and then is relished by the best of members, and that an occasional concert appearance stimulates attendance and does credit to the opinion that all work in private and no playing in public makes every man Jack a dull musician. But there is no gainsaying the allure of the orchestra and its associations, as its members will readily testify.

In this revealed whole-hearted devotion is the substance for believing that a business man and his own music are not to be parted.

The House sat in silence while the final vote was cast



THERE was business before the House—the business of buying a car. The conservative element (Mother and Dad) held out for a Marvel 8 Sedan. The radical member (Daughter) argued eloquently for a La Reine convertible coupe. The independent wing (Son) was torn between the mechanical virtues of the Marvel and the racy lines of the La Reine.

Finally, the Chairman called a halt to further discussion and put the question to a ballot. Amid tense silence, Son cast the final and deciding vote in favor of—the Marvel 8.

So it was decided. And so, by a *majority vote*, nine out of ten family purchases are decided. That is why leading advertisers realize the necessity of appealing to *every* member of the family. And they value most those publications which hold the strongest *all-family* interest.

In that respect one magazine, *The American*, is overwhelmingly first. Every survey of which we have record proves that no other magazine equals *The American Magazine* in its combined reading by father, mother, son and daughter. At one advertising cost *The American Magazine* reaches the entire family circle in 2,200,000 homes.

12 Investigations on family reading habits —

Twelve disinterested investigations have recently been made on the reading habits of the American family. Of these investigations two were conducted by leading national advertisers, six by great universities, one by a large advertising agency, one by a metropolitan newspaper and two by religious publishing organizations.

In all twelve surveys, *The American Magazine* proved to be overwhelmingly first in its combined reading by all the family.

The Crowell Publishing Company, New York City



Have You Considered—

The fastest and most dependable method of mail handling provided by the Government?

Mail is the chief means of business communication. It is vitally connected with every branch and department of business. Faster mail handling means quicker business turnover. Accurate mail handling means elimination of business losses.

Statistics of the Post Office Department show that "Metered Mail" is handled in the outgoing Post Office in less than half the time required in handling ordinary mail because of routine operations eliminated.

Metered postage cannot become detached. Mail preparation in your own office as well as its subsequent handling in the Post Office is facilitated. Every operation eliminated means faster and more dependable despatch.

A Postage Meter will protect your postage account and render an accurate record of postage used. The oval "Metered Mail" indicia will broadcast your interest in improved and fast mail service.



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at a price of only \$385.00 makes the "Metered Mail" System practical for any business office, branch, or department, which has important daily mail.

Mail this coupon clipped to your letterhead for:
Descriptive folder of Model "F" ☐ here
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THE POSTAGE METER COMPANY

Sole Distributors of Pitney-Bowes Mailing Equipment

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OFFICES IN TWENTY-ONE AMERICAN CITIES AND FOREIGN COUNTRIES

Observations on Strange Alaska

By LEO. P. BOTT, Jr.

PEOPLE have no conception of Alaska! The world in general, and particularly the people of the United States, still have strange notions about this magnificent country. They picture Alaska as it has been filmed and storied: a land of perpetual ice and snow; dog sleds followed by howling, hungry wolves; dance halls and saloons; bad men and women, and still more intensely cold weather.

But such a belief is erroneous! The summer climate of Alaska may easily be compared to that of the United States. It is warm and pleasant and not at all sultry. The winter climate is different and depends upon the section. In south-east Alaska, the winters may be compared to those of Washington, D. C.

Folk in Alaska bet on the exact hour and minute the ice breaks up in the river in the spring. It's a big event, and all the money is pooled for the one. Two years ago a man lost the entire pot of \$24,000 by a careless error. (Read this to your secretary, stenographer, book-keeper or broker.) He had a hunch that the ice would break up at 4:30 p. m., so he put up \$1.00 for 4.30 p. m. for every day from April 24 to May 10. The ice went out at 4:30 p. m., April 26. But in making out his cards, he erroneously made out two for April 25 and one for April 27. Three others came closer to the time of the break-up and each received \$8,000.

In the interior of Alaska the government telegraph line is supported not by single poles set in the ground, as in the states, but by three smaller poles set tripod fashion. The reasons are: Large timber does not grow so far north; the tripod poles are easier to erect especially since the ground is frozen underneath; and the frost would push the poles up if they were dug through.

Some travelers (and writers) get queer notions. One wrote that the three poles are used so the wire would not fall if one pole burned in a forest fire (what happens to a three-legged stool?). Another claimed that they are used to withstand the wind.

Wherever you go, along the highways or trails, close to or far from civilization, in every home you'll find a phonograph and with comparatively late music, too.

The name of a town was changed when the newspaper lost a letter of type. During the gold rush in the town of Cheona (pronounced Che-naw) there was pub-

PEOPLE think of Alaska as a corner of the American continent; but it is a fifth as large as the United States. It is considered a land of ice and snow; but it has much pleasant weather. Alaska has thriving communities and trade and many interesting industries

lished the *Cheona News*. One day the paper lost the "O" and the paper was published as *Chena News*. The town soon began to be called Chena and retained that name ever after.

There's a lesson for would-be boom towns: Fairbanks was founded in 1903 as the result of a gold strike. Near Fairbanks was that little village called Chena, which expected to be the metropolis of interior Alaska, instead of Fairbanks, and by reason of its location it should have been. It is on the Tanana River, a branch of the Yukon, and was the terminus of the Tanana Valley Railroad, a small line running from Fairbanks to various mining camps, and now a part of the government road. Then the government railroad from the coast to the interior became an assured fact, and Chena felt its development certain. It elevated the prices of its real estate and hopefully awaited its gold mines in the boom that was to come. But it overreached itself. The prices asked were beyond reason and opportunity indignantly marched by and up the little river to Fairbanks, now the "Golden Heart of Alaska."

Here it's either fish or golf stories. In Alaska you'll hear hundreds of bear stories. There's hardly a day that goes by but that you hear another one.

I rushed into a restaurant for a typical Alaskan meal. The menu read: corned beef and cabbage, ham and eggs, hamburger steak and other usual dishes of the States. But one may at times eat the native foods: salmon, shrimp, crab, bear, moose, caribou, reindeer, strawberries, raspberries, fresh vegetables and "sourdough" cakes.

In restaurants on all the counters and tables there are large cans of condensed milk each with two holes punched in the top. This is the way milk is served throughout Alaska and Yukon.

A few oddities—one woman has pet bees. She caresses them to sleep. Another person has tame fish which eat out of his hands. Admission is charged to see these fish. Some people board their hens

out during the winter months. In the summer when it is light 24 hours a day, the coops are covered at night so the hens will go to roost.

Hotels in the far north have signs: "Steam heated rooms, Horse and Dog Stables in connection." At Nenana—"Rust House, Rooms and Dog Kennel." A Road House has a bell that tolls in the wind—an excellent guide in winter for those who may be

off the trail in a blizzard, or snowbound.

To say that there are tropical forests in Alaska would be most amazing to many. Tramp through the the woods in its southeastern section in particular, and you'll find that you've undertaken a real job. Such forests, chiefly on the mountains, are a maze of timber, fallen trees, plants, man high, and moss several inches and often several feet deep, covering the soil, tree stumps, etc. Hanging moss even adorns some of the trees as it does in southern Louisiana and parts of south Arkansas.

Berries grow in abundance—blueberries, raspberries, strawberries, gooseberries, salmonberries, currants, etc., in fact, there are enough in Alaska to feed every inhabitant and animal and still have thousands of gallons to spare. There is enough wild grass to feed all of the cattle in the United States.

The Yukon River rises about a score or more miles from the Pacific Ocean, and flows 2,000 miles before it reaches the sea, emptying into the Bering. It is said that this river changes its mouth every year.

Strange as it may seem, mosquitoes thrive in Alaska, and stranger still, they are often to be found near a glacier—in summer, of course. Flies and gnats are also numerous and obnoxious. Indians often call the gnats, "No-See-Ums."

A "Cheechaco" is a tenderfoot. This word is derived from the Indians. A "Sourdough" is a person who has wintered in the interior of Alaska. In some places there it is also required that he has seen the ice break up on the Yukon. The "Sourdough" was named because of the sourdough cakes made by the inhabitants.

The people have no conception of Alaska. The reindeer, alone, are valued now at over \$7,500,000; the fisheries bring in an income of over \$50,000,000. In 1922 the territorial mine inspector placed the total amount of gold mined since 1880 at \$335,834,093, to say noth-



Argument Proves Nothing

For more than a thousand years the philosophers argued about whether two pieces of the same metal, one large and the other small, if dropped simultaneously from an equal height, would hit the ground at the same time.

In all that time neither side was able to convince the other—each was of the same opinion still.

Finally, a man with a practical turn of mind startled the philosophers by saying:

"Why not test it? Drop the pieces and see what happens."

They made the test. Both pieces landed exactly together—and incidentally ruined a perfectly good argument.

By the same token, a thousand years of argument will not settle the question of which is the best adding-calculating machine for your work—which of them all, the Comptometer or any other, will prove most economical in actual service?

Only a test—a real working test—covering a cross-section of all your figure work will supply that proof. Such a test leaves no room for argument.

Then why not apply the final test at the start.

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ing of the copper, silver, tin, coal, lead, antimony, petroleum, marble, gypsum, platinum, etc. Nor does this include the wealth already secured from the timber, fur, sealing, and other industries. The United States made a wonderful investment in securing this great Northland. The people had no conception of Alaska, and even today they think it a land of perpetual ice and snow—a barren waste.

A most interesting sight is to watch the salmon leap the falls in making their annual runs. The salmon swim up the streams, usually that in which they were hatched, in order to spawn. When waterfalls are met, they leap them, even though they may be twenty feet high. They literally swim in the air, and continue to leap until they have reached the water above and may swim farther up a stream. After these fish spawn, they die. The young fish swim to the sea, and in from two to four years later come back to the same stream to spawn and die. One may literally walk across them; they are so thick, and the saying that one may catch them with his hands is no idle phrase.

If one would study his map of the world closely, he could see that Seward, the terminus of the Government Railroad, is no farther north than Petrograd, now known as Leningrad—and it is not nearly so cold in winter. Juneau, the capital of Alaska, is in about the same latitude as Edinburgh, Scotland. A similar comparison is Sitka and Copenhagen, and Ketchikan and Moscow. Some of the Aleutian Islands are farther south than Birmingham, England, Berlin, Dublin or Warsaw. Alaska is three times the size of France and has one-fifth the area of the United States.

Near Fairbanks is the mining camp of Fox. Also a fox farm on the way to the Agricultural School and Experiment Station. The road forks and as guides there are two signs set side by side at the junction of the roads, "Fox Road. The Foxes are on the Farm Road." "Farm Road. The Farms are on the Fox Road."

Baseball at midnight—yes, in Fairbanks on June 21, at the Midnight Sun Festival on the longest day of the year. During the summer months it is light virtually all night long.

There is a railroad in the vicinity of Nome operated by dog power.

The iron "chink" revolutionized the salmon industry. By a revolving knife that cuts the salmon lengthwise and in such a way to make gutting easy, large production was made possible and there was a saving in labor. Many of the cannery employees are Chinese.

The creed of the Arctic Brotherhood, to which fraternal organization Harding was made a member on his ill-fated trip is: "I shall not break a stove, split a tent, kick a dog or work a horse with a sore on

its back." In the days of the gold rush, partners would quarrel, and divide out-fits on a fifty-fifty basis. They would deliberately cut a stove in two with an ax, rip a tent, making it also useless for both, and saw a boat into halves. Horses were useful and obedient beasts of burden and dogs have proved to be absolute necessities and man's most faithful and greatest friend in Alaska.

Truthful advertising—At Skagway, where Soapy Smith, bad man, reigned, there is now a collection of guns in a souvenir store's window. With these revolvers is a sign—"A few guns Soapy Smith did not use."

In addition to gold and copper mining, salmon, and now the reindeer industry, pulp will open a huge new field in Alaska. The tourist crop is rapidly becoming most profitable. Thousands of tourists visit Alaska each year.

Airplanes will be the salvation of Alaska and have been in use for several years. As a proof of their usefulness, here are two old but good examples: The first test flight for carrying mail was made February 21, 1924. One hundred and sixty pounds of mail were carried from Fairbanks to McGrath in less than three hours, or to be exact, two hours and fifty-five minutes. Formerly it took eighteen days by dog team to make the same trip. During that year a woman came from a far away place in forty-five minutes, a trip which, had she been able to undergo the fatigue of travel by horseback, would have taken three days.

At Anchorage, the tide is the second highest in the world, reaching a maximum of 33.9 feet.

Remedy for Salesmen

AS A MEANS of disposing of a man having something to sell, or some other project not easy to turn down, many big corporations now have a system known as "giving them the run-around." What happens is something like this: The caller is referred to an assistant vice-president who courteously gives encouragement but says that here is a thing to be handled by the chairman of the board. The chairman of the board says he will talk it over with the president. But the president is out of town for a few days, in a hospital for a minor operation, or busy getting a daughter married. Perhaps the salesman goes back then to the vice-president he first approached, only to learn that the vice-president has just started on his vacation. Mr. So-and-so, handling the vice-president's work, knows nothing about the subject. Faced with the job of starting all over again, the salesman becomes discouraged and gives up—which is the purpose of the "run around."—F. C. K.

Why big businesses are adopting the Telephone Typewriter



A few seconds' time sends a typewritten message to any part of the largest plant, or to distant branches and warehouses

Listed here are only a few of the larger corporations which are enjoying faster, more accurate and more economical communication because of Teletype . . . the Telephone Typewriter.

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A distinct advantage of Teletype is that it provides a typewritten record for filing at both ends. It combines the speed and convenience of the telephone with the authority and permanency of the printed word.

Teletype service is not expensive, and will pay for itself repeatedly by eliminating errors, doing away with messengers and speeding up production. Without obligation, permit us to demonstrate how Teletype can save time and money for you.

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The City of Tomorrow

(Continued from page 20)

and conditions, checked, however, by a growing realization that permanent advantage often lies in the more difficult task of changing the environment or conditions. As our grandfathers tried to escape the slum by moving from their fine old dwellings to new "high class" residence districts, only to find the slum following them and blighting their new homes, sending before it vanguards of disease to take toll of the fugitives, so now we go to the upper floors of skyscrapers, to get above the dust line and the fly line.

"An Ounce of Prevention . . ."

BUT as our fathers learned from the experience of their fathers that the way to escape the slum was to destroy the slum, so the younger generation today is beginning to learn that the way to escape the ills that accompany dust and pests and noise is not to flee from them but to do away with them. If it is only on the seventh or the ninth floor that one can live or work comfortably, then all the lower floors become very expensive foundations costing more than they return. In terms of money alone we shall find that it is cheaper to keep our cities clean and quiet than it is to pay for six-story foundations.

One of the most important factors is, of course, the traffic capacity of streets. Larger buildings originate more traffic. With increase of large buildings street capacity must be increased. Choice lies between subways, double-decking, elevated sidewalks, street widening on the one hand, or on the other regulating the bulk and use of buildings in accordance with present street capacity. Tentatively we are choosing both and learning by experience.

Increasing present street capacity is expensive. The question is whether the benefits exceed the costs. Apparently they do so far as main arterial highways are concerned. So several cities are building super-highways which provide for rail and free wheel traffic, for through and local traffic in separate lanes.

These arterial highways are being recognized as natural—or artificial—boundaries for self-contained neighborhoods. Radiating routes distribute the traffic from central business districts. By-pass routes encircle them and divert through traffic. Between these super-highways as they extend from the center lie the areas which will be devoted to homes, areas with a population large enough to support school, playground, churches, a branch library, so that their people, especially their children, need seldom cross the traffic streams. At the intersections are already developing business sub-centers.

The unsolved problem now is what to do with property fronting on the super-highways. So far as it can be used for industry or commerce a super-highway frontage has increased value. But only a

fraction of it can be so used. For residential use the super-highway frontage has such obvious disadvantages that long stretches are rapidly going into the discard. Like property along railroad rights-of-way, its dilapidated appearance gives a wrong impression of the city.

Here again our trouble is due to smallness of vision. Utilizing every permitted inch of lot area, we build close to the highway and then find that people will not live, if they can afford to choose, subject to the constant noise and smell and jar of never ending traffic. So we are considering the alternative of wide borders, park strips or deep front yards, planted with trees and grass, which will form a screen between traffic and dwelling.

Years ago, before we had become an urban nation, a homesick American wrote of the "blessed land of room enough." We still have room enough. Even if our cities spread to ten or twenty times their present area there would be room enough and to spare. But our vision has been too small. We have built as if every inch of ground must be covered. Now we are learning that this means wasted effort in pushing through unnecessary crowds, wasted time in waiting for unnecessary signals to turn from stop to go. And according to our creed, time is money. It is more, it is life, and life is all that is given us.

Will Build Better Cities

SO OUR cities of tomorrow will present as their greatest contrast to our cities of today abundant space for untrammelled living, for free movement. Dynamic energy will have overcome static obstructions, irresistible force will have worn away what reactionaries now believe to be immovable objects.

By means of far-sighted planning and wise regulation of city development we shall provide adequate channels through which the streams of our daily life may flow unimpeded, and between those channels, protected against the destructive force of their currents, we shall erect more lasting buildings into the design of which, because of their greater life expectancy, more weight will be given to continued earning, less to quick profits.

Each age expresses its best in its cities. Our cities of tomorrow will express the desire for joy in living, for freedom and growth which invention and wealth have made possible. They will differ from the cities of the past not only in their exhilarating skylines, but even more in their spaciousness.

It is no longer necessary to huddle people together or to keep their eyes constantly on ground level. Distance has become of less account.

We can and will stretch both up and out. The future American in constantly increasing majority will be born and reared in our cities. They will mould him according as we build them. And our recent city building promises that the mould will be good.

New England Studies Banking

By WILLIAM BOYD CRAIG

CASHING checks is only the beginning of the myriad of services performed by the modern bank. The more modern, the more services.

What should a bank do for its clientele to get business and build good will? The New England Council wanted the answer to this question. It had a survey of current banking practices made, in order that New England could check up with the rest of the country to see whether she was financed by progressives or conservatives. The results are stimulating, as the accompanying article shows.—*The Editor*

FRANKLY seeking information, the New England Council set out to find out how the banks of that section compared with others throughout the country in the matter of service. The report, just made public, brings out in skilful fashion a picture of one of the least understood branches of the modern commercial bank.

Those making the survey, a private firm of engineers, found that the banks soon became roughly classified into three groups. In the first group were those banks which were quite satisfied and not at all anxious about growth—a retarding or reactionary group.

The next group realizes that its growth depends upon the growth of the community, but makes no effort to help. Banks in this category claim conservatism and in fact add to the stability of business.

The third set of banks is increasing in numbers. In it are included those which want to grow, and are not satisfied unless they are growing faster than the natural growth of the community and faster than their competitors. It is the bank in this group which adopts more and more service, and goes in up to the hilt for community development. It is a stimulating, progressive, commercial unit.

Institution of Courtesy

NO OTHER business institution expects to do as much for its customers out of courtesy, for their convenience or benefit, as does the average bank. A few banks balk at the whole idea of service. At least one successful bank in the far West was founded and is operated on the belief that customers should pay a direct charge for each service rendered. That the public should not be clear on the subject seems more understandable in view of the wide disagreement, as shown by the survey, between bankers themselves as to how far the service function should go.

The outstanding finding of the survey lies in what bankers think is the best and greatest service which may be extended to customers, the community, or correspondent banks. The offering of suggestions is regarded the best way in which a banker may serve. One head of a financial institution said: "The greatest service is the offering of constructive suggestions. No,

I'll take that back; sometimes just as great a service is rendered by a suggestion that a concern should liquidate. Make suggestions either constructive or restrictive—that is the greatest service."

When a manufacturer furnishes instructions or operating suggestions with his product, he does it on the same principle that a banker does when suggesting how a loan can be most effectively applied. When a department store fills a telephone order, credits the purchase and then delivers, it is following out the same principles of service which motivate the bank honoring a draft drawn on a letter of credit.

A function of a bank is to furnish adequate credit as and when needed, at the best rate possible. Any activities directed toward making this end more effective may be called convenience services. These are extended to all. However, another type of service becoming more common might be classed as promotional. Here the individual customer is served. Used as a weapon to offset or beat back competition, promotional services in great variety were found to be employed by New England banks with a yearning to grow.

In both conceptions of service, the surveyors found that the New England banks compare favorably with others throughout the country. No criticism is directed toward any banks for holding one policy or another, as the engineers found that all differences in operation and extent of service sprang from an honest difference of opinion. The public is offered as much variety in banking institutions as in the retail field, where the simplest purchase may be made from a surprisingly large number of outlets.

Among the promotional services, perhaps the greatest are rendered by those banks which have in their own organization, or hire from the outside, specialists who are able to go into factories, stores, or other business firms to assist in internal management. This may entail the installation of budget bookkeeping or cost sys-

tems, new marketing methods, or other matters pertaining to control.

While some take the attitude that the customer knows how to run his own business, there are in every large city one or more banks, with highly organized industrial departments, manned by trained business man-

agers, which hold that advice is sought and appreciated, and that the result is growth and profit for the bank. Sometimes the work of the specialists will be with production; at others, with marketing.

At times, the specialist works for the "sick man" as well as with him. Banks occasionally put a representative on the board of directors of the ailing concern, and go to unusual limits to nurse the business back to health, regardless of whether or not the company helped was a previous customer. One banker, a Southerner, told the questioners that he was decidedly for the partnership idea of helping the sick, as preventive medicine, as opposed to the old-fashioned, cold-blooded squeezing, liquidating operation.

The great majority of those interviewed by the engineers emphasized the fact that regardless of the scope of the service offered by a bank, all must be accomplished in the most friendly spirit possible. Practically all went to some lengths to establish a working basis of understanding friendship as a starting point. A few even insisted that employees maintain social contacts with customers. Diplomacy among bankers everywhere is being recognized as more of a virtue than ever.

Tact and Diplomacy

BEFORE making a loan or attempting to offer a solution for a customer's problem, complete information is necessary. Tact in collecting the facts about a situation is of course called for; in spite of difficulties, there is a marked tendency among the progressive banks to seek the more valuable information at the customer's plant or place of business. Another relatively new tendency is to obtain not only a balance sheet but a complete operating statement, with data on the volume of sales and details about operating costs.

A large Middle Western house which does much business with farmers report-

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ed that it had educated its former customers into preparing operating statements similar to those made by manufacturers and merchants. The second and most common type of services are those known as conveniences, which deal with customers in general. Many are recent developments, and the total list would doubtless astound bankers of a century ago.

Many offer credit service, either through support of a local credit bureau, or directly through a department. In many industrial towns, banks will cash pay-roll checks, go out to collect deposits, and maintain night depository facilities for customers. If the community is rural, in many cases the banking houses will employ a farm expert, organize pig and calf clubs to encourage the youths to take up farming, offer prizes for promotion work, and in some cases distribute seeds.

In a nearby city, the banks may have an armored car in which to deliver pay-rolls, which it makes up and insures. Those which cater to women will often have a separate department designed to attract discriminating femininity, where special investment advice, budgeting, and help on home financing will be offered by women tellers.

Active in Community

BANKERS play an important part in community development. Many will be found to be actively working with the chamber of commerce; here and there one will act as city or county treasurer; often they support the county farm bureau. Teaching habits of thrift in a community is a not-uncommon form of promotion. This includes educational advertising, collecting school savings, Christmas savings clubs, vacation clubs, tax clubs. Some even set up a savings department for sailors on board ships.

General informational publications, such as house organs, bulletins on recent developments in general business, prices, local conditions, and even social events, are cited as instances of general servicing.

Some banks go to extremes to attract the investor, by setting up an investor's library, giving advice on stocks and bonds, arranging for sales through a brokerage house, having a ticker in the lobby, posting quotations, and collecting interest coupons. A few operate securities companies.

Banks with younger men as officers will be more likely to favor promotional services, the analysts found.

A banker is more likely to do favors for friends and strangers in the course of a day than any other business man. The direct returns are seldom seen, but rather felt, in the bank's own balance sheet. For instance, here are some of the routine matters which, the survey shows, come up at times in the program of many a bank official. A banker could conceivably have such a program as this:

He may start the day by arranging for a veterinary to call on a depositor who has a sick calf.

His next job may be a hurry-up call

from the city's leading industrialist, who wants to know where he can get an airplane to take him three hundred miles by not later than that evening.

Having had it called to his attention that one of the bank's customers has just had a son born, he directs that a complimentary savings account be opened in the name of the newcomer, and his parents notified.

Next he may call up the newly elected head of the local utility company to congratulate him on his appointment.

Next, he may sound out some of the other officials as to their opinions about putting in a drinking fountain, a pair of scales, and on the advisability of opening a garage for depositors' convenience while using the house's facilities.

Coming back to his desk, he will look down his schedule for the day. He may find that he has an item there to remind him that he was to see that the bats and balls donated to the boys' club arrived safely.

Next, he may send a messenger out to an outlying factory to collect some deposits and to pay several bills for a depositor in the vicinity.

Then he may exercise his best judgment in selecting one of the young secretaries to act as guide and companion to the daughter of the president of a correspondent bank who is arriving soon for a day's holiday in the city.

After that he may take a boy just home from college to the bank's employment agency to see what they can find for him in the way of a summer job.

His next visitor may be a clubwoman who wants to borrow the bank's copy of the Congressional Record to get material for a speech. If a drive is on, the same woman may appeal for aid in getting workers from the bank's staff to help gather funds. A friendly chat may bring out the fact that her husband is still struggling with his income tax sheet, which calls for the suggestion that he stop in and let one of the bank's experts go over it with him.

Next he may call up a manufacturer to tell him that the information about Government contracts and bonding is now ready.

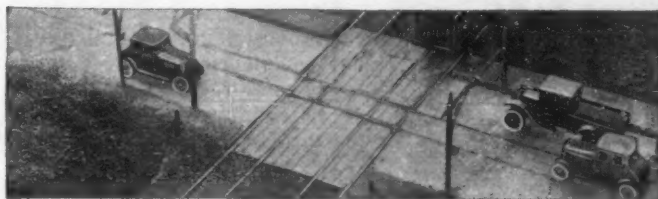
Lunch, a Business Institution

BY THIS time, the banker will be ready to go out for lunch, which will very likely be with some of the business leaders of the city, in order that they may match impressions and experiences and determine the latest trends.

This brief sketch of a banker's morning may not be taken possibly as typical for the whole country, yet just such services are being performed constantly under the bank's roof. Those suggested make up but a partial list.

In seeking facts to apply to local banking conditions, the New England Council has had prepared a worth-while compilation of facts about financing which will likely prove valuable as well as stimulating to bankers and business men outside as well as in New England.

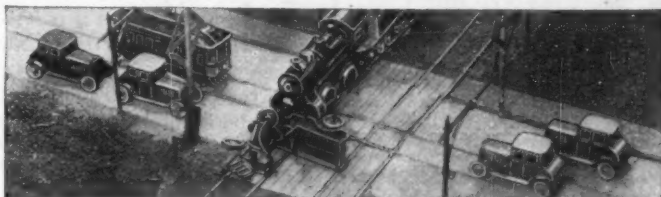
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Butler Manufacturing Company
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We Don't Bite the Coin Today

(Continued from page 31)

able thing should occur. Suppose all of us should go to the banks tomorrow morning at 9 o'clock to draw out the 50 billion dollars we have together on deposit. It would be impossible for the banks to pay more than one billion dollars cash on hand, for the reason that these deposits of ours are offset principally by promises to pay held by the banks. Of these promises, about one-tenth are by the Government; the rest are promises of borrowers, either customers of the bank or promises of corporations—manufacturers, railroads—whose investment securities the banks own.

"But," you say, "after the one-billion, what?"

Within a few hours the banks possibly could secure two or three billions more from the Federal Reserve Banks and other sources.

What then? What of our other 45 billions?

We could only stand and wait until some arrangement could be made, by which we would receive assignats, or mandates, or certificates, or scrip, based on land, on railroad shops, on steel foundries, on automobile factories, or the other forms of wealth which are made possible by our deposits.

Importance of Two Per Cent

WHEN two per cent of us lose confidence and faith in the rest of us and withdraw our credit, a business depression ensues; when another two per cent join in, wild-eyed panic is in order.

Let this confidence be ever so slightly disturbed and at once it is felt. Let Mr. Ford withdraw from the market and announce a new car, and men wonder just what the new conditions of buying an automobile will be—and hesitate. This affects steel, cotton, leather, glass and rubber. There are men, whose judgment I greatly respect, who attribute the slight depression which we experienced last year to the action of Mr. Ford alone. He unwittingly, in slowing down to improve a product, impaired confidence. Bankruptcies are known to do this. Here is the case of a man who is farthest from bankruptcy and who legitimately and laudably embarked on a different course, yet the results have been the same.

An item in the press which attributed to storage chicken a case of poisoning played havoc with an industry although it was proved two days later that there had been no storage chicken in the county in six months. Thus delicate is this credit adjustment.

I have also known of a large, profitable industry to suffer because of wild charges made by unscrupulous politicians.

Demagogues are not the only offenders. Often, without thinking, business men themselves shake just a little our structure built on confidence when they criticize other branches of business.

Business men who join the soap-box

orator in an unintelligent tirade against our business system help to shake public confidence in their own works. They, unwittingly, foul their own nests.

This is no suggestion that business keep silent as to abuses. American industry has its faults, and they deserve criticism. There are men in business who are throw-backs to the Middle Ages and still make it necessary for us to bite the coin. They should be stung out of the hive for the common good.

But criticism without facts, based on rumors, develops only heat and little light.

Psychology of the Mass

ALREADY we see in the press that because this is an election year, there is danger of business depression. What a strange anomaly! Why should the act of choosing men to administer our government affairs disturb this business confidence?

The reason is that during the next few months, the professional trouble-seeker and scotcher will be abroad in the land. He will preach unrest. From those seeking public office we shall hear much about taxes, about railroad rates, and shipping, and waterways, and public utilities, and Federal Reserve, and oil, and coal and agriculture.

Those who realize what the credit and confidences we are now enjoying mean to business and to the nation will be quick to demand facts and figures, chapter and verse. Too often—alas!—in election times only idle boasts and foolish charges are offered.

The laborer is seriously affected when our credit structure trembles, when there is depression. Industries are not run to full capacity, laborers are out of employment. Depression in one industry or in one place may spread to another industry or another section.

Education vs. Catastrophe

"SOAP-BOX" talk is not intended for the one who understands. It is for the one who has difficulty in understanding social and economic phenomena, but who may be made to feel aggrieved and to lash out blindly when some demagogue arouses him.

Some crises are unavoidable—those due to natural causes, such as earthquakes; but the list is narrowing as man is learning to overcome pests, disease, dangers of fire and flood.

But confidence-crises can be as truly a product of shallow thinking, irresponsible utterance, which may destroy confidence, as of imperfections in the processes of production, distribution and consumption of wealth.

To return to our soap-box orator: He would have us believe that America's industrial system is ineffably bad. But it is a far cry from the time when Goethe made reference to "War, piracy, trade—the same thing."

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The Producer Pays

I'D DO anything in the world for you just to help you out, for a certain sum," Al Jolson, blackface comedian, is reported to have told J. J. Schuber, theatrical manager, when the latter was in a pinch in Chicago, and engaged the performer for \$10,000 a week.

Back in New York, Florenz Ziegfeld, dean of girl glorifiers, is bemoaning the high cost of everything in the show business. Recently the spring tour of "Rio Rita," one of Mr. Ziegfeld's musical shows, came to an end in Boston. In his notice of the closing, Mr. Ziegfeld hints at "teamwork for prosperity," as quoted in the Wall Street Journal. Says Mr. Z:

I believe that the coming year, so far as general prosperity is concerned, will be at top-notch except in the field of the theatre, for the deplorable conditions under which the legitimate theatre is now laboring work against the producing manager from every angle.

Cooperation Needed

ACTORS and authors are organized, the expense of production is enormous, and in every department of the theatre giving the public the best means prohibitive cost. I advise the managers to get together for their own protection and I also advise the curtailing of production activities until after the presidential election. A long summer and a few months of idleness may bring salaries where they should be.

The Journal indulges in some large figures in discussing the drama to prove that all is not beer and skittles for the producers. It seems that it costs up to \$200,000 to get a musical show ready. This item is known to the trade as the "nut." Then it costs from \$25,000 to \$35,000 to operate such a venture. The show must be very good to take in more than that for an extended run, and the run must be a good one to equal the original speculation. Depreciation is rapid. "Hit the Deck," regarded by the laymen as a huge success, ran nearly a year, but just about broke even because of the weekly costs and the size of the "nut."

A rather small group of stars can obtain dizzy salaries because of proved box office pulling power and motion picture competition. Members of this select fraternity, such as Al Jolson, Eddie Cantor, Marylin Miller, Moran and Mack, Jack Donahue and others who push over all the public's sales resistance get pay checks each week well up toward five figures.

Proof that chorus girls are coming higher than they used to is found in Earl Carroll's call for beauty and talent for his new "Vanies." The scale starts at \$100 a week for common or "garden" variety and ascends to \$200 for young ladies of exceptional beauty and following.

The costs of theatrical production have mounted steadily since the theatre became a closed shop in 1919, according to the Journal.

The first startling managerial statement on the subject of operating costs was made

by David Belasco when he closed "Deburau" which was playing to capacity at the Empire Theatre in the spring of 1921. This play, which was the season's dramatic hit and which was called by many theatrical commentators the crowning achievement of Mr. Belasco's long career, was closed by him because its weekly gross of \$18,000—at the prevailing scale for dramatic attractions—was insufficient to meet operating costs. The investment of tens of thousands of dollars was irretrievably lost.

As costs mount up, the lists of "also ran" shows grow. Theaters rent from \$3,000 to \$5,000 a week, depending on location, season and bargaining power of the parties interested. If a successful venture is moving into a new home, a percentage of the gross is usually fixed to the satisfaction of one or both.

Other standing charges which must be taken into consideration are listed by the *Journal*.

The dramatist takes his percentage from the gross; in musical comedy this royalty is split three ways: librettist, composer and writer of lyrics. Routine advertising averages \$1,500 a week; although in a comparatively recent instance of a Follies ad which acquainted New York with Boston's estimate of the Follies, a single piece of copy cost Mr. Ziegfeld \$3,700.

A lion's share of the weekly gross is divided among the 20 or 30 orchestra men and their leader, who are so important a factor in the success of the musical play. To the salaries of principals and chorus must be added the wage of a regiment of stage hands, property men, grips, electricians, clearers, carpenters, wardrobe women—those utilities of the stage in whom virtual control of the theatre is vested. It is credibly reported that the stage hands' union contemplates a 25 per cent increase in its wage scale at the expiration of existing contracts.

The conclusion would seem to be that a little more simplicity is likely to find its way into the theater, or at least into the musical shows. The "extravaganza" of tomorrow will probably reveal little extravagance. Nothing, however, has been said about more economical costumes.

W. B. C.

Profitless Train Meals

I HAVE felt more comfortable when dining on trains ever since a railroad man showed me figures dealing with the amount of money that railroad companies lose on meals. One road loses 52 cents for each meal served. Not counting the cost of the food itself, there is a cost, for each meal, of 5½ cents for laundry and linen; 7½ cents for fuel; 1½ cents for car cleaning; 7½ cents for menu cards and other printed matter. Moreover, a dining car must be carried 4½ miles for every meal served and the cost of hauling it is 12 cents a mile per meal.

Yet railroad companies don't care to increase the price of meals for fear that long distance travelers will become disgusted and stay at home more. On the other hand, European railroads derive a big profit from serving meals.—F. C. K.

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Is Business Business?

(Continued from page 22)

and an apology: "While I was in California, the salesmen there pestered me so that I gave a small order for supplies, to get rid of them. Now I come to you with another small order. Please accept it as the best I can do until I get my plantation reorganized—and overlook that purchase I made up north."

In our own country, we are today going through "conditions" that amount to a general revolution—difficulties of adjustment that bring out the yellow streak in one business man and the true blue in another. Forecasters have tried to interpret the situation in the light of the past, and themselves laugh at their conclusions, because the factors upon which they were based have changed before the forecasts could be published. Cautious students content themselves with listing the favorable and unfavorable factors this week—and find that they have changed by next week.

Business Is Changing

THE earning capacity of the people has changed, and with it their purchases. There is abundant money, yet great industries find their customers slipping away, or are doing a tremendous business with little profit. A compound fracture has separated production and distribution. Departing gold, loans to foreign governments, financing of foreign business, and foreign goods pressing to get into the country, are new complications.

Hundreds of thousands of workmen and mercantile employees, as well as storekeepers, are earmarked for transfer to new places where they will probably be better off—if they live through it. One corporation, making something that was a rich man's luxury twenty years ago, but now a common necessity, will bring content and plenty into hundreds of communities as soon as it can get back into full production—but meanwhile there is a lag.

And so forth. Business in general is good, but your line and mine are rotten, thank you. The country is more prosperous than ever before in its history—but there seems to be some sort of jam.

"The mother cried, in accents wild,
'Fireman, fireman, save my child!'
The fireman up the ladder ran,
But the che-ild was bigger than the fi-re-man."

More business than ever, in the concrete form of more things to do for people, and more dollars to be made doing them.

Yet universal quarreling over who is to do it. Manufacturers and distributors deciding that one or the other is superfluous and invading each other's lines. Sales managers and purchasing agents inviting each other to commit *seppuku*, each grabbing for what can be salvaged.

"I'm sorry, old man, but business is business—this seems to be the end of

the world, and I am a business man."

Having discounted the forecasters and interpreters, I will venture a prediction of my own. Forecasts are exceedingly useful, and helpful, even though they do not happen to be right. Because, if a fellow is interested in them, he is taking a broad view of business events, and looking ahead. He may not know what's going to happen, and the forecaster may not tell him what the future actually holds. No matter—he knows something will happen, and prepares for it.

I now gaze into the magic crystal:

What is this strange scene? It appears to be a city, but more magnificent than any I've ever visited outside of dreams. The streets are paved with—crystal? No, it appears to be a beautiful synthetic resin. The buildings are palaces, enameled in all the hues now being seized upon for bath fixtures and kitchen stoves. A great throng of happy people moves through the streets. There are many young women. I note that fewer clothes are being worn—these young women evidently buy their raiment in pill boxes, at drugless drug stores. But I like the effect immensely.

Music is heard—perfectly tuned radio music, accompanied by a television scene—a procession of magnificent floats.

The first float symbolizes "Wholesaling," and is piled high with gold and silver and stocks and bonds. Upon it sits a commanding human figure. He is dressed in splendid raiment, and smoking a long cigar. Beautiful maidens fan him. He is surrounded by every token of success. He is sitting on top of the world, like the lady in the circus parade.

As this float passes, I hear a wailing, and see, for the first time, a group of miserable figures watching the procession. They are shabby, poverty-stricken and without hope. The future holds no more for them than the present.

Transformed Business

"AND that is the wholesale business!" cries one. "Who'd have thought it? I might have been in it, if I'd stayed. But I drew out to save myself. I couldn't see it. I acted on the principle of business is business."

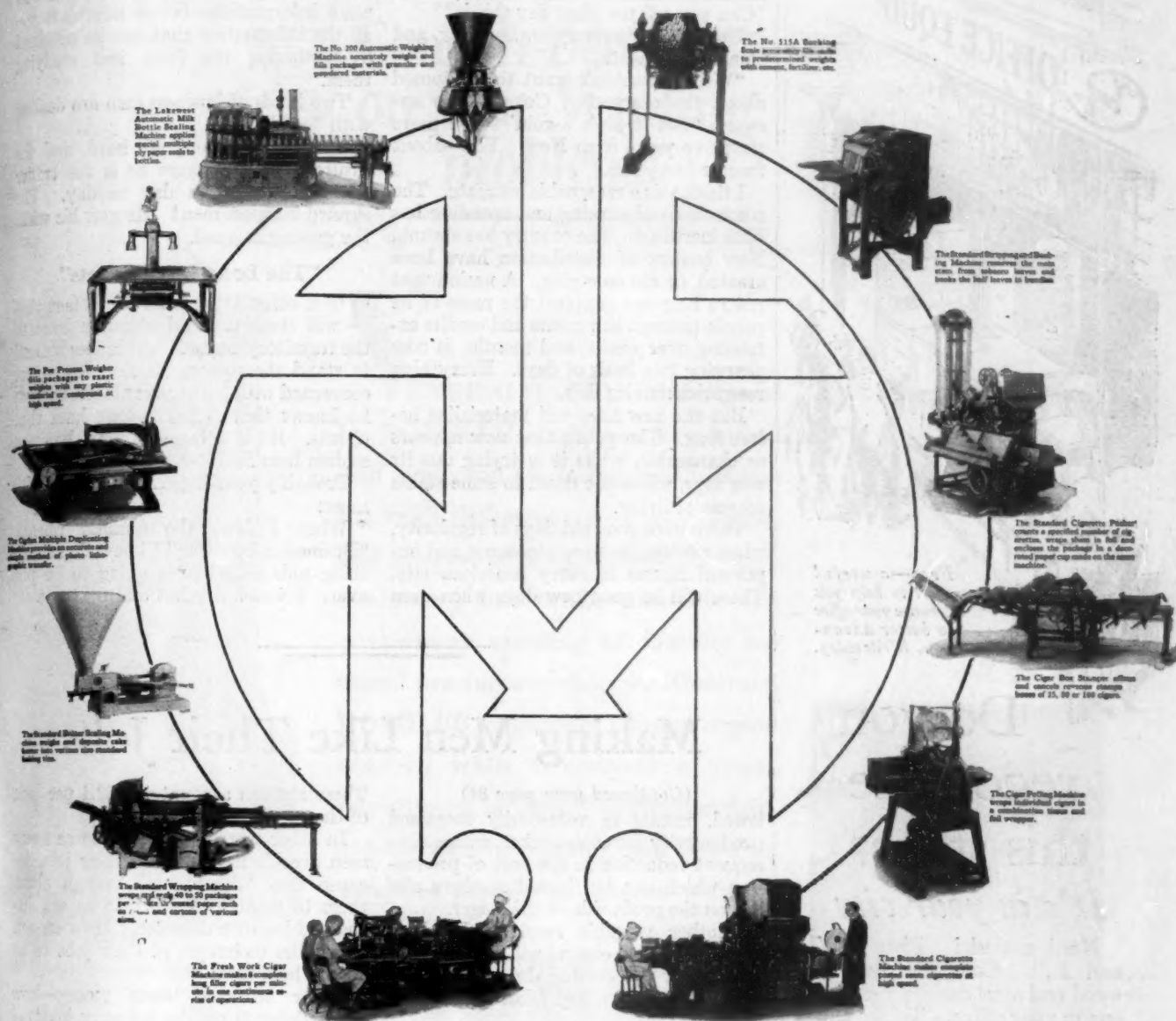
Other floats follow—Manufacturing, Utilities, Retailing, The Individual Storekeeper, The Independent Grocer. Each is more gorgeous than the ones that went before. No field of trade or industry is missing, though all are greatly transformed.

And as each comes in sight I hear the wails grow louder, "It might have been me—I didn't understand."

A burly keeper now appears, and I see that these miserable souls are guarded by attendants.

"Time to put 'em back, boys," he says, gruffly. "Let 'em spend the night in Tier 13."

And they are led away, wailing, "We were business men, we were business



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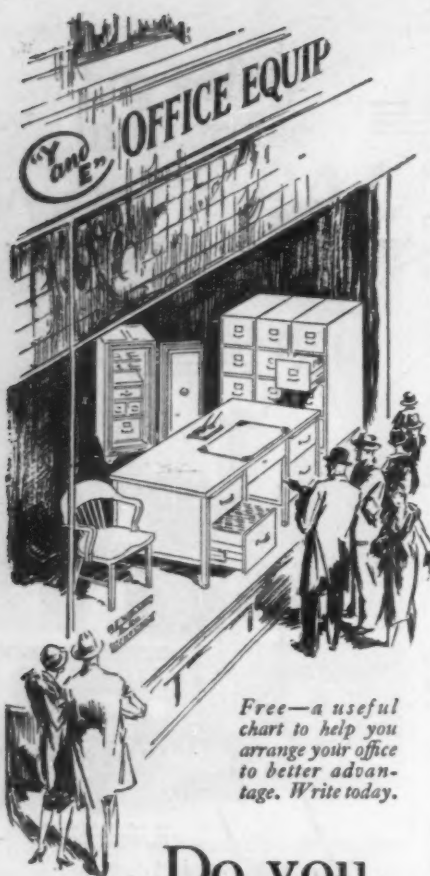
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men!" I touch this keeper on the shoulder.

"Pardon me—one question," I ask. "Can you tell me what day this is?"

He puffs reflectively on his cigar, and thinks a moment.

"Well, I wouldn't want to be quoted about the exact day, Colonel," he answers, "but it ain't a-goin' to be more than five years from Now. Yea—about four or five years."

I think this a reasonable estimate. The whole basis of earning and spending has been increased. The country has shrunk. New centers of distribution have been created, or are emerging. A nation that not so long ago supplied the mass of its people through shipments and credits extending over weeks, and months, is now changing to a basis of days. Everything resembles moving day.

But the new lines will materialize before long. The public that now appears so changeable, while it is trying out its new toys, will settle down to some stable scheme of living.

There were good old days of regularity, when wholesalers were necessary, and important figures in every American city. There will be good new days when even

the wholesaler comes into his own. It is a matter of patient adjustment, based on more information—better information—all the information that can be obtained by gathering the facts and studying them.

Two kinds of business men are dealing with "conditions."

To one, conditions are hard, and the future limited, because he is the trader who operates from day to day. The shrewd business man! He gets his while the getting is good.

"The Long Haul Counts"

THE other type seeks every fact that will show the real situation beneath the transitory turmoil, and braces himself to stand the passing shocks. He is not concerned with petty advantages, because he knows that it is the long haul that counts. He is a business man, but you seldom hear him say so.

Probably your experience chimes with mine:

When I hear the familiar phrase, "Business is business," I know that something unbusinesslike is going to be put over. I watch my hat and overcoat

Making Men Like Their Jobs

(Continued from page 34)

lowed, results in voluntarily increased productivity for each worker, with a consequent reduction in the cost of production which can be figured nowhere else but on the profit side of the ledger.

Another valuable result with which better personnel control will reward management is the cutting down of a large part of the present high labor turnover.

Why Workers Leave Jobs

ONE of the most interesting contributions to the subject of labor turnover in industry is given us by Professor John M. Brewer in his tabulation of the reasons for discharge of 4,375 workers from various industrial establishments, a study made by the Bureau of Vocational Guidance of Harvard University.

Professor Brewer groups the reasons given for discharge under two heads: (1) lack of skill or technical knowledge; (2) lack of social understanding.

This classification is the same as mine—technical and non-technical—except that it has possibly a bit more refinement. The first group is the "don't know" group, and includes as reasons given for discharge: incompetent, slow, physically unadapted and spoiling work. These reasons account for 34.2 per cent of the cases.

The second group is the "don't care" group, and includes the reasons: insubordination, general unreliability, absenteeism, laziness, trouble making, drinking, violation of rules, carelessness, fighting, misconduct, dishonesty, loafing or sleeping, dissatisfied, and habitual lateness.

These reasons account for 62.4 per cent of the cases.

In other words, nearly twice as many men are discharged from their jobs because they "don't care" enough about them to want to hold them as are discharged because they don't know enough about the technique of their jobs to be able to hold them.

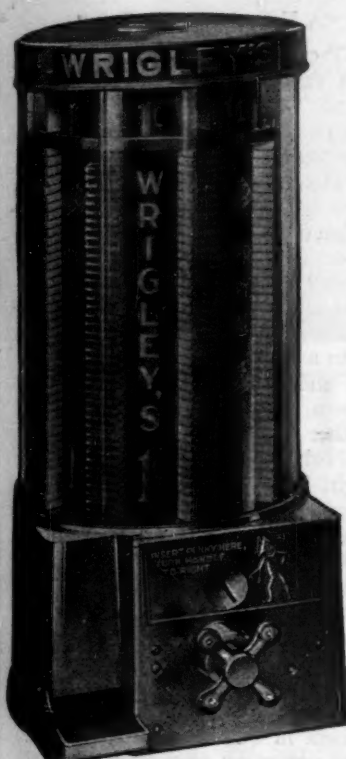
Labor turnover costs money—how much depends on the industry involved and the grade or type of worker who turns over. In some organizations it costs around \$25, and in others, where the work requires more skill and ability, the cost may reach \$500.

Management's answer to the challenge and management's solution to a large part of the high labor turnover problem is of course better personnel control.

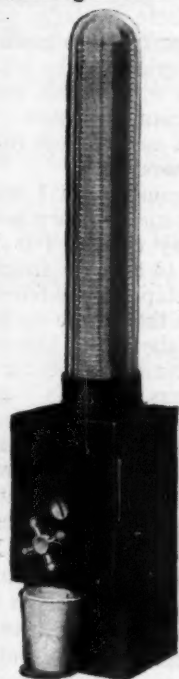
Never lose sight of the fact that men's motives control their actions. Take the trouble to understand men's motives and you will know how to go about handling them in a way that will earn and keep their loyalty. Get the right men into the right jobs. Make them as comfortable as you can and see that the job is as safe as possible. Take a personal interest in the things that the workers do. Get them interested in their jobs for the job's sake as well as for the money's sake. Avoid doing anything that causes a worker to lose his own self-respect.

There, in a nutshell, is the working code of the successful personnel control program that keeps men sticking to the job with little, if any, turnover from the so-called "avoidable" causes.

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On Starting a Business

(Continued from page 38)

stand in the way of that employee's giving the best service of which he is capable. What I am trying to say is that small employers of labor are likely to be motivated by friendship to the detriment of their business. This is not right. It should not be permitted.

There is a difference between friendship and sentiment. Men should help one another but not at the expense of inefficiency in business. No matter how small the business, it is greater than the man managing it. It represents an idea, and ideas are always masters.

Mass production is an idea; the men who enforce mass production rules and regulations are merely the instruments of expression for that idea. Men aren't autocrats; ideas are autocrats. This is true in industry; it is true in government. If a nation believes in an autocratic form of government it cannot justifiably condemn the men who enforce that belief. If a change is needed, then the principles must be changed. Men will change with them.

The opportunities for a small business are just as good today as they were yesterday; they will be just as good tomorrow as they are today. It depends entirely on the business chosen and the methods used to run it. Thousands of small businesses go into the bankruptcy courts each year, and in the final analysis there are just three reasons for their failure:

- 1—The wrong business.
- 2—Insufficient capital.
- 3—The wrong principles of management.

Small Concerns Can Succeed

WE HAVE chain grocery stores but that doesn't prevent men from making money in their individual grocery establishments. They have their own personalities to sell, which the chain store lacks. We have chains of department stores but that doesn't prevent individuals, and small concerns, from succeeding. Examples are on every hand. We have tremendous industrial organizations but new ones are starting which will soon be among the "big ones."

One young man I know started an accessory business and within two years built it up to a company employing more than a hundred men. Further than that, he was in a very highly competitive field but he kept down his "overhead," made an excellent product, enlarged his capital, and was able to undersell his rivals. He is still keeping down his "overhead," and his business is steadily growing and making excellent profits.

Less than two years ago the president of a small manufacturing concern that had been very successful through four or five years came into the bank and wanted a loan to build a new factory.

"Why do you need a new factory?" he was asked by the banker.

"Well, my business has grown so I want to house it in decent surroundings," he answered.

"That's all right. But, don't you think it would be a sensible idea to increase your capital or otherwise wait until your surplus is sufficient to take care of this suggested building operation? By borrowing the money if you expect to repay us soon you'll have to raise your prices, won't you?"

"A Fraction of a Cent"

"NOT enough to make any difference. A fraction of a cent on an item. That's all."

We advised him against the move. He became angry, went to another source, got his loan. Last week the sheriff nailed a notice on his door. The difference of a fraction of a cent in his selling price was what cost him his business. This is another way of saying that the one way for a small business to compete with a big business is to keep down its "overhead" to a minimum, give more personal service and meet prices—or, better yet, beat them. It can be done.

Another important requisite for starting in business in a small way is to pick the right location.

A man was in my office a few days ago explaining that he was moving his small business to another section.

"Where are you going?" I asked.

"I am going South."

"South?"

"Yes. Here, in Detroit, I am in competition with some of the largest manufacturers in the country. I can compete with them in quality, as well as prices, but I'm not going to get very far until I have a bigger edge. I'm moving South where there is cheap power and labor that doesn't cost so much, and where my raw materials will be near at hand.

"As it is, materials are being shipped to me from the South. In this respect I am not any different from my powerful competitors.

"By going south I will be nearer to raw materials. I may not be able to buy them any cheaper but I certainly will be able to save on freight. The difference in shipping the finished product will be more than made up in the saving on power, labor costs, taxes and all the rest of the items which enter the east side of the ledgers."

I am confident this manufacturer will be successful. If he continues to watch his business as he has watched it in the past he cannot help continuing to build. He has courage. The easiest way would be to stay where he is. It takes courage to move and meet his problems.

Through the eyes of a banker I cannot see much difference between the futures of the small business and the large. The thing that makes for success in any line is, as Napoleon said, "Finding the right principles; the rest is a matter of detail."

No business, large or small, can suc-



A Two-Fisted Wood —that fights rain and rot

WHEREVER upkeep must be cut to the bone (and where doesn't it have to be cut), use Tidewater Red Cypress. Put this Wood Eternal to work on every structure that is exposed to the weather.

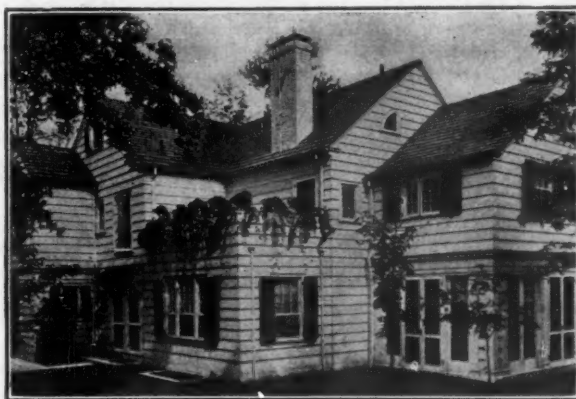
Tidewater Red Cypress is especially adapted for warehouses, platforms, conduits, water tanks, railroad cars, greenhouses and fencing. In short, any use where long life and absolute freedom from repairs are essential.

Grown in water, Tidewater Red Cypress resists water. Fortified naturally

by "cypressene," it fights off rot. No wonder, then, that larger and larger quantities of it are being used each year by all industries. But when you order this lumber, be sure to specify "Tidewater Red Cypress"—for outstanding durability

is found only in the "coastal type" red cypress that grows near the Gulf and South Atlantic Seaboard.

Complete information on this long-lived wood will be sent free of charge in the booklet, "Money Saved for Builders." Send for it today. Southern Cypress Manufacturers' Association, Dept. NB9, Jacksonville, Florida.



For enduring beauty and low upkeep cost, also use Tidewater Red Cypress in your home. This photograph shows how the Wood Eternal was used in the home of Mr. Charles Evans Hughes, Jr., at Riverdale, N. Y.

Specify **TIDEWATER RED CYPRESS**



THE WOOD ETERNAL

When writing to SOUTHERN CYPRESS MANUFACTURERS' ASSOCIATION please mention Nation's Business



UTICA

Busy Center of the World's Greatest Market

The world's richest market—35,000,000 people—lies within a radius of 350 miles of Utica, N.Y. To reach this market quickly are five railroads, the Barge Canal, fine highways for motor trucks. Overnight deliveries to millions solve industry's problem of hand-to-mouth buying.

An Ideal Plant Location

For factory, branch plant, or distribution point, Utica has definite advantages. Labor conditions are excellent, living conditions ideal. Utica is in the "100% zone" of health and industrial efficiency. Freight and power rates are favorable. Above all there is a real spirit of welcome and cooperation for new industry.

This Bank, the youngest, but one of the largest, in Central New York, believes in Utica. Our resources have always been at the service of Utica's manufacturers . . . our doors open to new industries.

This 56-Page Book Tells Why



An impartial survey made from your viewpoint by leading Consulting Engineers. Facts—not selling talk. Write for it.

CITIZENS TRUST CO.
INDUSTRIAL DEPARTMENT
UTICA, NEW YORK

When writing please mention Nation's Business

ceed unless its principles are right. It is true that a large business can absorb losses which would eliminate a small business. But losses would be uncovered in a small business sooner than in a large.

It is a fine thing for any man to assume responsibility. Responsibility develops character. A man cannot succeed, no matter what his business, unless he develops character. It is the foundation of all things. Particularly is it the important thing when a banker makes loans.

When asked if this was a rule he answered:

"I think it is a fundamental basis of all business."

I am not saying, of course, that character is not developed by the man who enters a corporation. I am saying, however, that the quickest way to develop it is by getting into one's own business, assuming responsibilities and developing resourcefulness.

The general manager of one of the largest systems of chain stores in the world was telling me one day of his experiences with branch managers.

"Wherever possible I always hire a

man who has failed in his own business," he remarked.

"What is your reason?" I asked.

Failures Make Success

"I HAVE found that a man who has failed in his own business makes a more substantial partner. You see, we are all partners in this organization. He is less liable to take chances, and tends more strictly to business. He has failure to live down, and in the great majority of cases he succeeds in living it down."

All this is just another way for saying that "experience is the best teacher."

We hear a great deal these days of the "futility of bucking the big corporation." It is just conversation. There is plenty of room for the small business, if the product of that small business is selected with a view to markets, operating costs, local conditions and the other elements that enter into any business, large or small.

Competition may be keener, but it is competition—and not the lack of it—that develops sales. And sales form the requisite that turns the production wheels.

Wanted—An Advertising Yardstick

COMMENTING on Mr. Garretson's article, "Wanted—A Yardstick for Advertising," in the June number of NATION'S BUSINESS, Henry Lee Staples, an advertising agent of distinction and experience, says:

A trust company, which was executor of an estate, which controlled a manufacturing business, found that sales were not increasing. They requested us to investigate the business and make a report.

We found that the sales of this particular industry, while running into millions, were decreasing rather than increasing. Except for the top bracket of very large manufacturers, practically all were showing decreased sales and decreased profits.

The top bracket had installed very expensive machinery and were doing mechanically what once was performed by hand.

The smaller manufacturers did not feel justified in installing such machinery and were put at a distinct manufacturing disadvantage.

The large companies did a large volume of advertising to create consumer demand.

In this case we had to recommend that the business be disposed of and that no advertising be done, as this manufacturer was in the middle class and had neither the manufacturing nor selling advantages of his larger rival.

Frankly, I think that the advertising agents recommend against advertising far oftener than they advocate it.

WITH the last sentence in Mr. Staples' letter Mr. John Benson of the Benson, Gamble, Johnson & Read advertising agency in Chicago finds himself in sympathy, for he says:

Advertising agents are taking this matter seriously. I have known them to decline proffered campaigns with plenty of money behind them because the article lacked distinctive merit or the field was overdone.

There are things which cannot be profitably advertised. We should recognize that and analyze it.

W C. D'ARCY of the D'Arcy Advertising Company, has this to say about the Garretson article:

The practice of medicine is a science, yet we have quacks. And sometimes good doctors make mistakes. Therefore, each and all of these, in their scientific aspects, represent problems similar to those of the Electric Hose & Rubber Company, because there are wastes in all of them. There is lack of scientific data in every instance.

THE Sikes Company, which makes office chairs and has been making them for sixty years, got an idea from the Garretson article and sent their dealers this:

"WANTED—A YARDSTICK FOR ADVERTISING."

Under the above title the president of a garden hose company has written a very interesting article in the current number of NATION'S BUSINESS. He says his company has recently discontinued their advertising, after having spent \$150,000, because they couldn't determine whether or not it was productive. He makes this—to us—very significant statement, "We expected our advertising of garden hose to induce the consumer to go to his dealer and not only ask for, but to insist upon getting our product."

So far as The Sikes Company is concerned, we never expected anything of the sort—in fact, we were perfectly certain that advertising would not do that for us to any appreciable extent. And we strongly suspect that it is just this difference in attitude of mind that has resulted in the failure of one campaign and the conspicuous success of the other. For, after all, it is not the advertising itself that succeeds or fails, but the way in which it is used.

AN addressing machine a third of a century ago—but what of today? Million dollar corporations have invested more than *two hundred thousand dollars* for single installations of Addressograph equipment!

AN addressing machine a third of a century ago—but what of today? Million dollar corporations have invested more than *two hundred thousand dollars* for single installations of Addressograph equipment!

Merchants on side streets have made the proportionately important investment of twenty-five dollars. Throughout a cross section of American life—commercial, industrial, social—Addressograph methods serve to save money, speed operations, save time, increase efficiency and build profits.

The Addressograph is today a modern business essential. Would it be a profitable investment in *your* business? You and the other executives and department heads in your organization can quickly determine the answer by checking the Profit Analysis Sheet at the left.

Thousands upon thousands of users employ Addressograph equipment for imprinting, listing and addressing 165 distinct business forms 10 to 50 times faster than with pen or typewriter and errors are impossible.

Our representative has a thorough knowledge of the applications of the Addressograph and these forms to your business. He has at his command the Addressograph Research Bureau, where proven facts and actual plans for expense cutting and profit building methods in over 3,000 lines of activities are centralized A request from you will receive the prompt attention of our Research Bureau.

Sales and service agencies in the principal cities of the world

ADDRESSOGRAPH COMPANY, 901 W. Van Buren Street, Chicago

Canada: Toronto, Vancouver, Montreal. European head office and factory: London, England.

Manufacturers of Graphotype Addressograph Dupligrath Cardograph

Copyright 1928
Addressograph Co.

Mr. Thomas F. Buckingham,
320 E. Orange St.,
Lancaster, Pa.

PROFIT ANALYSIS SHEET

Check the following uses to determine how you can use Addressograph profitably.

SALES PROMOTION
Announcements,
Notices, C

SALES PROMOTION Booklets,
Speeds out: Announcements, Completed
Circulars, Envelopes, Notices, Subscription
Letters, Follow-up notices, Subscriptions
lists, House organs, Catalogs,
Bulletins, Price-lists, Post-cards.

***RECORD-Keeping**
Bank statements

RECORD-Keeping

Heads up: Bank statements, Cost-keeping records,
 Inventory records, Invoices, Job tickets,
 Ledger pages, Machine tool repair
 records, Production orders, Store issues,
 Stock ledger forms, Stock requisitions,
 Tabulating machine cards, Time tickets.

***ROUTING**

***ROUTING**
Writes: Drivers' call lists, Shop orders,
Newspaper bundle destinations,
Order schedules, Shipping schedules,
Drivers' call tags.

***IMPRINTING**
Booklets, B

IMPRINTING
Imprints: Booklets, Blotters, Mailer strips, Wrappers.
Short messages on postals, Swatches.
Folders,

***SHIPPING FORMS**
Rule of lading. N

SHIPPING FORMS

Addresses: Bills of lading, Route sheets,
Labels, Shipping envelopes, Way bills,
Tags, singly or in gangs.

***COLLECTIONS**

COLLECTIONS

Fills in: Bills, Collection Letters, Follow-up notices, Installment collection forms, Meter-reading forms. Premium notices, Public service bills, Receipts, Statements.

DISBURSEMENTS

DISBURSEMENTS
Imprints: Dividend checks, Pay-checks,
Pay-roll sheets, Pay-envelopes, Pay-roll
receipts, Stock holders lists,
Voucher checks.

***PRODUCTION**
Machine and

PRODUCTION
Writes: Machine and tool repair records,
Time cards, Time tickets, Shop orders,
Production orders, Stock requisitions,
Stores issues.

***IDENTIFYING**

IDENTIFYING

Embosses or Indents: Metal Directory
Plates, Machine Name Plates, Motor
Name Plates, Employees' Badges,
Shrubby Tags, Cream Can Tags, M
Shipping Tags, Metal Labels.

Addressograph

PRINTS FROM TYPE

***More than an Addressing Machine**

Hand
models

Electric models

Super-speed automatic models

**Machines for every
size and kind of business.
Prices from \$20 to \$4400.**

When writing to ADDRESSOGRAPH COMPANY please mention Nation's Business

the men to man your ERIE PLANT

are 80% "native-white"

45% own their homes

7 out of 10 have
savings accounts

IN A WORD, the so-called "labor situation" in Erie is decidedly favorable. Our people are fair-minded and intelligent—the kind you can get along with. Undesirable elements are conspicuously absent.

Erie Offers More. An ample supply of faithful, interested workers constitutes just one of five great advantages Erie offers manufacturers. Here, also, you can benefit by favorable tax rates, 4-line rail transportation, easy access to the nation's richest markets, cheap coal and abundant raw and semi-finished material from nearby sources.

Free Book Tells All. Send the coupon for a copy of "5 Great Advantages" the 32-page survey report that brings you facts and figures of real value. Or let our Industrial Board interpret Erie's advantages as applied to your own needs.

ERIE

PENNSYLVANIA

ERIE CHAMBER OF COMMERCE
Erie, Penna.

Date _____

Please send a copy of your booklet "5 Great Advantages."

Name _____

Firm _____

Address _____

N.B. 9-1-28

When writing please mention Nation's Business

HUMAN NATURE IN BUSINESS



By FRED C. KELLY

A FRIEND of mine operates a small shop dealing in men's furnishings, and he also has a controlling interest in a shop, immediately adjoining, which specializes in underwear and other fancy fripperies for women. Recently he made a surprising but priceless discovery. His best method for gaining attention to bargains in the show window of his haberdashery shop is to place alluring exhibits of delicate, gayly-colored lingerie in the window of the shop next door. Men who would not bother to pause and examine the showing of excellent values in shirts, stop and feast their eyes on the pretties intended for gals. Once having stopped, they finally move over a step or two and look over the offerings of masculine goods.

Since my friend, the haberdasher told me this, I have been taking note of the kind of folks who gaze at windows filled with intimate items of feminine attire, and have confirmed his statements that men rather than women are mainly the ones who stop longest to find out just what women are going to wear.

LIKEWISE, while we're on this subject, the present season has seen an almost startling increase in sales of underwear for men. The reason is that crafty manufacturers have been putting them out in festive colors. A man may well blush when he looks in the show window of a haberdashery, and observes what members of this once formidable sex are coming to.

Clerks tell me in confidence that the more racy the colors, the better such goods

mas, not only of festive hue, but trimmed with fussy little ribbons.

I predict that the first manufacturer to put out a line of perfumes for men will gradually build up a valuable trade. Maybe they will use them at first only in their baths, but gradually perfumery for men will gain a foothold and be accepted with no more derision than wrist-watches arouse today. Since the country is slowly but surely being effeminized, the first group of high-pressure salesmen to recognize this will reap the biggest harvest.

SODA counter clerks with whom I have talked are unanimous in the opinion that styles have changed in kinds of sandwiches most desired for noonday lunch. It used to be that a ham sandwich led all others in popularity. But today, men prefer sandwiches made up of salads of one kind or another—deviled egg and lettuce and other more light-waisted items.

CHOCOLATE, however, is still the leading flavor used for soda water. For second place, strawberry and pineapple are practically a tie.

A NEW YORK hotel has instructed its elevator men to mention the direction of the dining room every time they bring passengers down to the ground floor during meal hours. This is known as suggestive salesmanship.

But I'm wondering if it is good business. The thing was so obvious that I got tired hearing the man say: "Dining room at the left," and went out to eat, regardless of bad weather, when I might otherwise have eaten in the hotel.

THE United States government has recently prepared a report showing what ails the candy business. For one thing, candy manufacturers are too inclined to seek distant markets, to the neglect of business closer to home. This is borne out by the fact that it is usually impossible to buy candy at a hotel newsstand made in the same state where the hotel is located.

A HOTEL man who recently supervised the entertainment of Col. Lindbergh tells me that it is almost impossible for any hotel to guarantee the return of Lindy's laundry. Souvenir hunters in the hotel laundry are quite likely to filch it. Then the hotel must pay for it. In consequence,



sell. And sales are by no means confined to young college boys, but include a considerable ratio of plain-looking old plugs who might not be expected to take interest in such cheerful underwear.

Even baby-blue undershirts of near-silk material are having a big run. Drab little men who haven't the courage to wear so much as a bright-colored necktie in public, secretly wish to see themselves in the mirror, morning and evening, in carnival attire. More, they wear paja-



Give us this day our daily bread

Out there in The Milwaukee Road's West you will find him—tanned, keen-eyed, working and happy. The field is his factory, Nature his boss. From the Great Lakes west, through the valley of the Missouri, in the shadow of the Rockies, on the shores of the Pacific he has charted an empire with his plow—barren plains now golden with grain.

This American of the West is an essential citizen whose contribution to the Nation is food for its people.

From the farms of the Northwest The Milwaukee Road annually hauls enough wheat to supply one-fifth of our people with bread for a year. And wheat is but one-sixth of the farm products moved.

The Milwaukee Road is proud to be a contributing partner in the work of converting virgin soil into productive acres.

For a copy of booklet or detailed information on any subject concerning this railroad, address The Milwaukee Road, Room 884C Union Station, Chicago

FAMOUS TRAINS

The Olympian

Chicago - Seattle - Tacoma

The Pioneer Limited

Chicago - St. Paul - Minneapolis

The Columbian

Chicago - Yellowstone -
Twin Cities - Seattle - Tacoma

The Southwest Limited

Chicago - Excelsior Springs -
Milwaukee - Kansas City

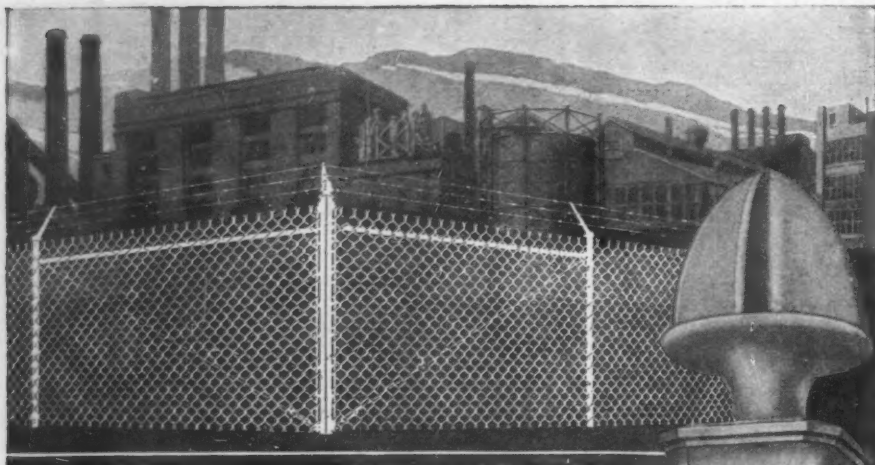
The Arrow

Chicago - Des Moines - Omaha -
Milwaukee - Sioux City

The MILWAUKEE ROAD



When writing to THE MILWAUKEE ROAD please mention Nation's Business



Built Stronger Where the strains come

4 Exclusive Anchor Features
provide strength where
strength is most needed

IN the gates—in the posts—in the anchorage—exclusive features of construction make Anchor Fences stronger to permanently resist strain.

(1) *Anchor-Weld Wire Gates* with frame of square tubular steel, welded at the corners, are the strongest made. No disfiguring diagonal braces needed.

(2) *U-bar Line Posts* of High Carbon Steel are 50% stronger than other posts—size for size and weight for weight.

(3) *Drive Anchorage* holds Anchor fence posts firm and true—permanent alignment is insured.

(4) *Square Terminal Posts* are graceful—stronger—more protective. No fabric-holding bands to provide a foothold for climbing.

Ask a local Anchor Fencing Specialist to explain the low cost-per-year service of Anchor Fences.

ANCHOR POST FENCE CO.

Eastern Ave. and 35th St., Baltimore, Md.

Albany; Boston; Charlotte; Chicago; Cleveland; Detroit; Hartford; Houston; Indianapolis; Los Angeles; Mineola, L. I.; Newark; New York; Philadelphia; Pittsburgh; St. Louis; San Francisco; Shreveport

Representatives in other principal cities
Consult telephone directory



A NATION-WIDE FENCING SERVICE

When writing to ANCHOR POST FENCE CO. please mention Nation's Business

quence, Lindbergh is said to wear new shirts most of the time.

He long ago quit wearing a hat, simply because he found it impossible to keep one.

THE meat packing industry has had to pay a big price for the vogue of health columns in daily newspapers. Articles by dieticians have led people to eat less meat and the packers have been having a tough time trying to gain over such a handicap.

AN investigation by an advertising agency of the place of radios in the hearts of the people proved that most housewives would rather get along without vacuum cleaners, electric refrigeration, or any other labor-saving device, than try to worry through the day without a radio.

RESTAURANT proprietors have found that gay colors in the uniforms worn by waitresses increase business. Plain white uniforms, suggestive of cleanliness, have become commonplace and today waitresses are beginning to dress as dashing as milkmaids in musical comedies.

I ate recently in a Spanish restaurant where the waitresses were all garbed as



senoritas. My recollection is a little hazy but I'm inclined to think that the boss waitress even wore a yellow shawl.

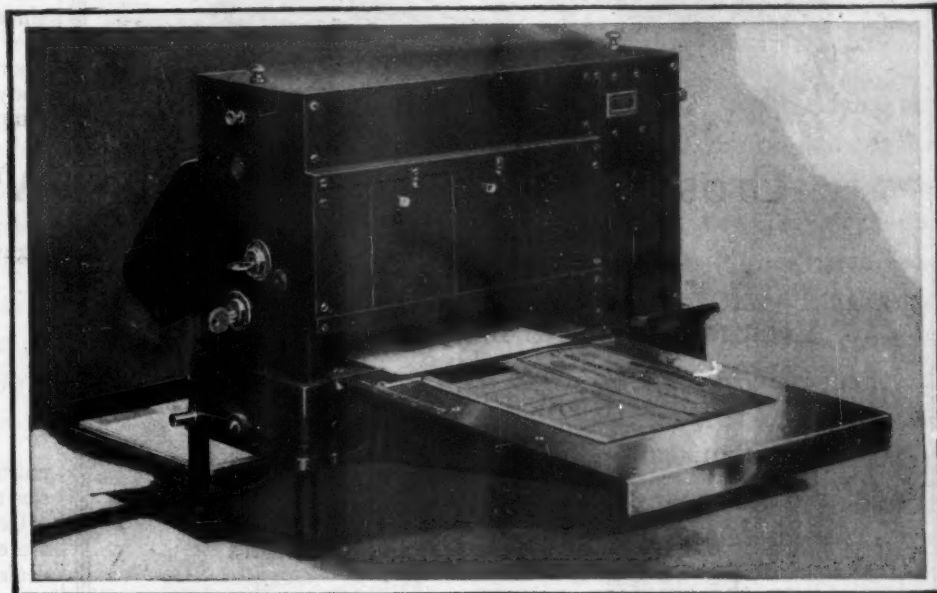
THE proprietors of one of the largest real estate allotments in the country are compelled to have one man devote practically his entire time to removing objectionable advertising signs from trees on the property. As rapidly as a truck load of signs are torn down, another crop appears.

A MAN who had been in the laundry business for years recently sold out because, he says, it is too hard nowadays for a laundry to make money. The reason is that women don't stay at home much and the delivery man has to stop several times before he finally succeeds in finding them to deliver laundry and collect money due. Since delivery is a big item in laundry cost, serious delays in delivery are of grave importance. In apartment buildings, laundry may be left with the telephone operator, but in sections of town where people live in small houses, there is nothing to do but keep on trying to find a housewife at home.

A SALESMAN who has been highly successful, partly because of his knack at remembering people's names, was telling me how he does it. "If I can't think of a name," he says, "I mentally

Now a Todd Check Signer for the average business

THE SINGLE-VOUCHER UNIT



The larger model of the Todd Check Signer has met with such widespread business approval that The Todd Company has developed the Single-Voucher Unit for the needs of businesses of lesser magnitude. This remarkable machine signs and stacks 1200 checks an hour! The signature may be combined with a photograph or symbol and is the most nearly non-counterfeitable known! The machine is readily adaptable and may be used to sign single checks, double checks (two-to-a-sheet) or voucher checks.

The executives of every kind of business now can be relieved forever of the tedious, time-wasting process of signing checks by hand. The Single-Voucher Check Signer requires only one operator working under the supervision of an

executive. It is secured with master and subordinate locks and registers every check signed. Here is the safest known method of signing checks—one that releases executives for their proper activities—one that, by its speed, accomplishes new economies of time and labor in routine check-preparation procedure.

Todd Check Signers are in use in business offices, industries, banks, municipalities, and public utilities throughout the country. Have a Todd

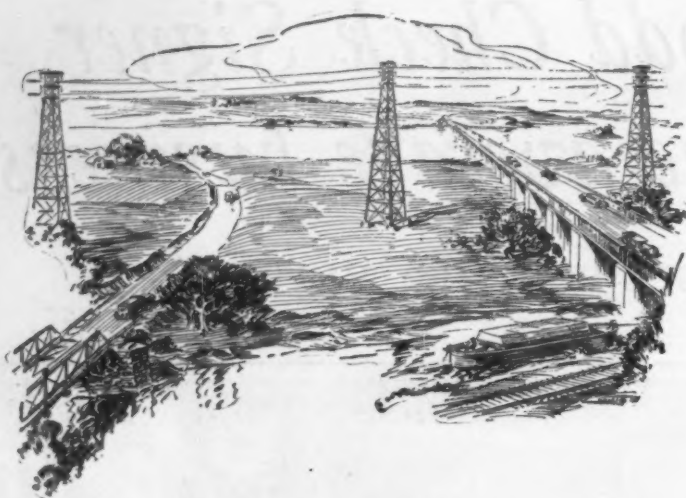
representative demonstrate this new marvel of business. See the endorsements of many prominent users. Get in touch with the Todd office in your city or return the coupon to us for further information. The Todd Company, *Protectograph Division*. (Est. 1899.) Rochester, N. Y. *Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.*

THE TODD COMPANY 9-28
Protectograph Division
1130 University Ave., Rochester, N. Y.
Please send me further information
about the Todd Check Signer.

Name _____
Business _____
Address _____



TODD SYSTEM OF CHECK PROTECTION



Crossways of Progress

Near where the Potomac turns southeast to the sea five highways converge:

The river, which for ages bore the Indian canoes to tide-water; the old Chesapeake and Ohio Canal, which in its great day carried thousands of settlers to the western country; the stone pike over which Lee brought his veterans to northern battlefields; a modern steam railway; and the high tension power line of one of our subsidiary electric companies.

We owe much to highways—to roads of travel, and to these new pathways of power which carry energy from where it can best be produced to the place where it is most needed.

An Industry That Never Shuts Down

AMERICAN WATER WORKS AND ELECTRIC COMPANY
INCORPORATED

©1928

When writing to AMERICAN WATER WORKS AND ELECTRIC COMPANY please mention Nation's Business

begin at the first of the alphabet, and keep right on until I strike a letter that seems to belong to that man. Just recently I went to see a man named Vorhees and couldn't think of his name. The moment I came to V in the alphabet the name rolled out of its slot in my memory."

A LAWYER for a big savings-and-loan company tells me that it has hit on a new method for handling those who fall behind in payments. It has discovered that nearly everybody, even those who are borrowing small sums from a loan company, has an automobile. And men who are unmoved by any other kind of threat will bestir themselves to pay what they owe the moment they hear talk of their car being attached for a debt. Nobody who has had a machine likes to contemplate being without it.

A YOUNG man informs me that he partly paid his way through college last year by quietly jogging along public highways in an old Ford on Monday



mornings and picking up soft drink bottles thrown away by picnic parties.

Certain kinds of these have an immediate cash value if returned to soft drink dealers, and other bottles may be sold to persons interested in the manufacture of malt or vinous liquors on the home premises.

I AM told that soft drink manufacturers pay a premium for the return of bottles, not so much because they want the bottles as because they wisely feel that too many bottles strewn along the roadside might eventually make their product so unpopular as to hurt the growth of business.

THE manager of an office building tells me that a surprising number of executives work at their offices on Sunday. It is the one day when no one expects them to be at the office and they have no interruption from phone calls. The same men do not go to their offices every Sunday, but altogether there are always enough to justify having one elevator in operation.

A RESTAURANT that has for years employed competent waitresses, of various sizes, regardless of girth or station, is now trying to hire only girls of a certain height and weight and with faces that are soothing to the retina. If all the waitresses in this place were lined up, they would be almost as uniform in size as a chorus, if not more so. The manager has a theory that girls all of a size, and of a popular size at that, will give tone to his establishment.

NOISE is more than annoying ... it is costly

Johns-Manville Sound-Absorbing Treatment Blots Out Disturbing Noise

IN thousands of busy offices Johns-Manville has performed an apparent miracle in banishing disturbing noise. Quiet has taken its place. The sounds of conversation, telephone bells, office machines, no longer reverberate. Even the intrusion of street sounds has been reduced to a minimum. Yet actually this is no miracle but rather the result of applying modern science and materials to an old problem.

Your Office Can be Quiet

No matter where your office is, or how noisy, Johns-Manville Sound-absorbing Treatment can eliminate 50 per cent or more of the noise. That means

that virtually all the irritating, work-delaying sound will be stilled. Aside from the comfort and advantage of working in a quiet office, there is a real question of dollars and cents involved. Actual tests prove what

everyone knows, that noise cuts office efficiency. It reduces output and increases error. Also it tires workers and makes them irritable. The highest paid and most expert workers are those most disturbed and hampered by useless noise.

The simplicity and effectiveness of our method is described in our free book, "Sound-absorbing Treatment in Banks and Offices."



Four Points of Advantage of Johns-Manville Sound-absorbing Treatment

1. Has the highest sound-absorbing quality.
2. Reflects light well.
3. Does not interfere with any decorative scheme, and can be cleaned.
4. Is fire-resisting.

MASTER of ASBESTOS
Johns-Manville
SOUND CONTROL TREATMENT

JOHNS-MANVILLE CORPORATION
New York, Chicago, Cleveland, San Francisco
Branches in all large cities
Canadian Johns-Manville Co., Ltd., Toronto

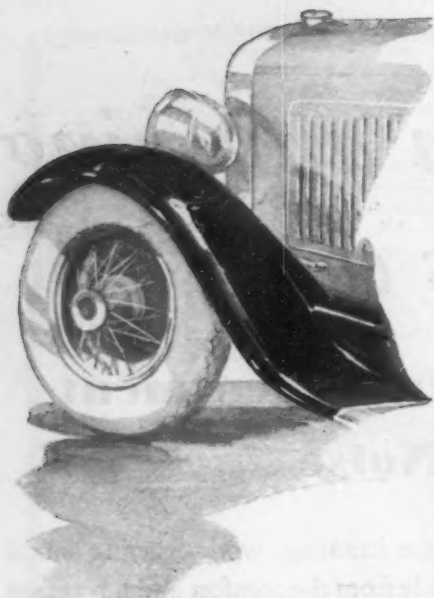
Please send me your book entitled, "Sound-absorbing Treatment in Banks and Offices."

Name

Company

Address

AC-45-2



Rust-Proof Because PARKERIZED

THE day of the rusty, disreputable automobile fender is passing.

Manufacturers using enamel or lacquer on iron or steel are coming to realize the fact that Parkerizing not only rust-proofs the surface but provides a cohesive bond which insures a permanent finish.

Every day manufacturers using iron or steel are finding new uses for Parkerizing. Not only does it give effective rust protection but it is low in cost and fits into modern production methods.

The Parker Process is available to any manufacturer who will install the few simple tanks necessary to apply it and is a good finish of itself for many articles.

Parkerizing is accomplished by immersing cleaned iron or steel articles in a solution of hot water and "Parco Powder" a clean dry chemical of concentrated rust-proofing energy, producing adequate results at low cost.

Our engineers and chemists are qualified to advise you concerning the use of the Parker Process as applied to your individual requirements.

Parkerizing jobbing service plants are located in twenty-four industrial centers.

PARKER RUST-PROOF COMPANY

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British Caste and British Trade

(Continued from page 36)

as England has no equivalent institutions of learning to serve as a counterpoise to those favored bodies, the net result is that the absence of this particular seal of efficiency means that the man who has not received it has not usually been favored with the blessings of a first-class education. He is condemned to carry a handicap because, even if in after life home study fills the void, his accent, acquired in youth, stamps him as an outcast.

It has, therefore, come to pass that a comparison between a British chamber of commerce gathering and an American meeting of a similar character will reveal a manifestly higher intellectual level in the latter. However, should a group of English civil servants be placed side by side with a delegation from this country, the contrast will be in favor of the former.

All for the Empire

THE reason is not far to seek. It is found in an analysis of general principles. England is the corner-stone of an empire. She has evolved a social fabric whereby the state is able to get good government at a minimum cash outlay. She has taken from Rome the mantle of colonial primacy. Her best brains serve her in fields where money plays but an incidental part in fixing the expected wage.

I am aware that a few decades ago England led not only in governmental efficiency, but also in trade. But times have changed. In those days the iron will of Bismarck had not created a united Germany, the subtle diplomacy of Cavour had not called Italy into being, France had not recovered from the titanic effort of the Napoleonic wars, and America had not yet struck her stride.

In those years iron and steel were first asserting their leadership and Britain in such matters had the inside track. And then Cobden's free trade policies stimulated English commerce and bad government and economic heresies throttled the activity of Continental spindles.

England's geographical situation turned her eyes toward the sea and begot her leadership in the carrying trade, while London's primacy in financial quarters enhanced the value of this favored position. But it was inevitable that sooner or later the thirteen colonies which had grown into forty-eight states would challenge this hegemony. Once the gage of economic competition was thrown down, it was foreordained that the double crown of leadership in the science of government and in industrial output could not be worn by the brow which recruited its captains of commerce from among men of a lower caste.

I have said that banking and shipping are not taboo by those who bear the earmarks of British scholarship. It might appear at first blush that this runs counter to my argument. Far from doing so, it strengthens my thesis.

It must not be forgotten that long ago

banking emancipated itself from the shackles of trade.

The same thing now applies to other enterprises so gigantic that their owners have forced their way into the House of Lords. But exceptions do not make rules; on the contrary, they confirm them. They give vivifying force to the basic principle which they contravene.

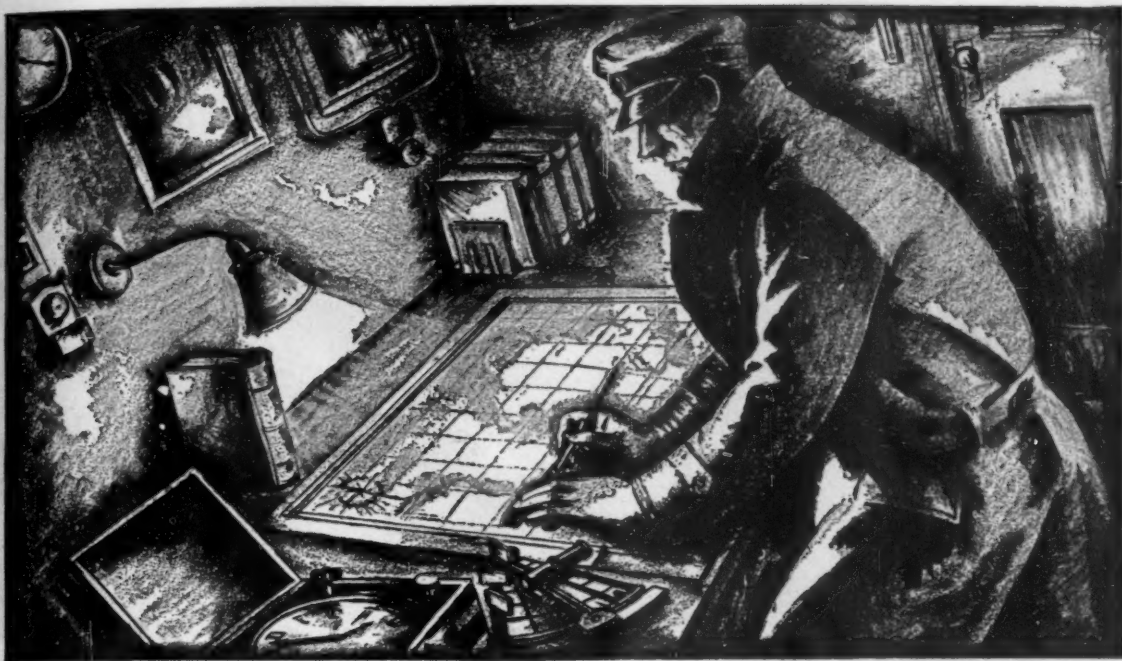
It is somewhat the same thing with shipping, and, of course, I refer not to the crews that operate the vessels, but to the capitalists who own them. Ships are the very personification of this identical "big business." They typify Britain's powers of expansion. They symbolize England's dominion over seas, and they mean so much to the welfare of the man in the street that their owners are likened to bankers and absolved from the original sin of being engaged in trade.

As things stand today, banking and shipping are the only major forms of money making endeavor where Great Britain leads the world. In these two fields the "public school boy" is allowed to make his influence felt. This implies that where caste does not exclude the educated Englishman from enlisting, "Merrie England" is still able to keep her leadership unimpaired. This carries with it as corollary that where caste excludes the sheep and where manufactures can draw their leaders only from the goats, the inevitable is bound to happen.

Brains Also Make Trade

I FEEL, therefore, that when British commissions come to this country to study the secret of American industrial success, and when they burst forth into eulogy of our incomparable management, they fail to grasp the true inwardness of the problem. All that they write about the sympathetic relationship between our master and servant, about the cooperation between factory hands and employers of labor, about standardization, mass production, advertising, an immense home market, or about low taxation, excellent railways, cheap raw materials, abundant coal, and incomparable machinery, and the like, is all beside the issue. All these things are true. But they have been brought about, they have been made possible and are being made so by the use of brains.

American education does not engender class distinction, American social conditions do not beget caste, American industry does not place a bar sinister upon brains. Our men of affairs are our biggest brains; our ablest brains are at the head of our chambers of commerce; our most indefatigable brains are working to evolve new inventions, new appliances and new conceptions of managerial efficiency. It is because England eschews all of this and sacrifices everything upon the altar of getting a competent governmental administration at cut rate prices that the smoke of factories in the British Isles is not as evident as it should be.



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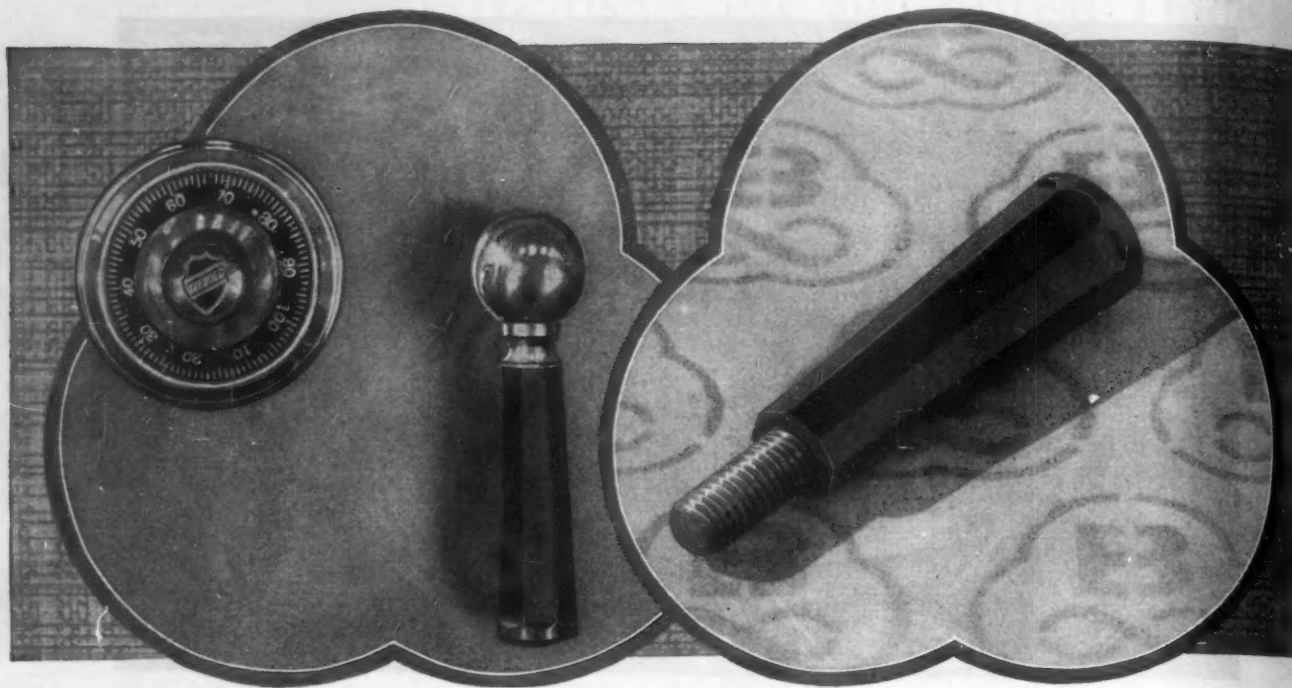
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How Stores Multiply

By EDSON RICH

THE Strickland Drug Stores Company, of Denver, Colorado, has walked up to chain store competition with its own system of chain stores, yet without following the usual definition of the chain-store. It has not found it necessary to change its policy of conservatism, which is the same today as it was before conservatism was driven to the wall. It has not cut prices nor popularized its appeal. And its story of the last five years is one of steady dependable growth.

The company incorporated in Denver in 1922 with one store. Today there are six stores, employing 90 people. The business has quadrupled in five years.

"Our rule of expansion," says S. R. Misel, general manager, "is that each store must pay for itself within a year in a new location, and in less than a year in a location already developed. That condition has already been fulfilled six times.

"Analyzed our method is simply service. Service to us is our perpetual effort and the principal means we employ to the end of making trading at our stores imperative. A vague analysis you may say. Perhaps that is because it is so simple. Whenever the opportunity for expansion has offered itself, that expansion has been done in terms of service.

"There are 200 drug stores in Denver, a city of about 300,000 people. A good portion of these are chain organizations. Ten of them are flagrant cut-rate. That is a large percentage, but we do not believe that the way to combat such competition lies in panic-stricken methods. It is necessary to pay heed to surrounding conditions. It is not necessary to think up something spectacular to offset them.

Individualize Business

"IF YOU are accustomed to doing business conservatively, it will not profit you to drop that policy suddenly. The important measure is to size up your conservatism, analyze it for its good points, which are to be accentuated, and for its bad points, which are to be eliminated. Then you are headed in the right direction, for you are doing business in the way that you have studied and developed it.

"It has no hidden corners for you, no

complexities. It is not possible to adopt another man's way of doing business overnight, and expect the garment to fit.

"We have consistently watched our organization for growth possibilities. We have never lost sight of the fact that it must be *our* business or nobody's, follow the lines of our own, not adopted, ideas. We believe that distress over business conditions often comes of too much eye

six stores under individual direction. Only in the most general way do we apply the same rules of management throughout. They resemble one another only to the extent in which they specialize in service, in attractive presentation, in up-to-date equipment. Our idea begins with service, and that is its end. Each store faces its particular problem with particular emphasis, and each location is strategic to the location of the 200 other drug stores in Denver.

"There are likely to be too many stores in every growing community. Even the best store in the world must analyze its location. In the last year about 20 locations have been offered us in various parts of the city. We turned down all of them, first, because we were not ready for expansion, and second, because they were not suitable.

Avoid Guesswork

"A BUSINESS at best encounters enough adversity. All the guesswork possible should be eliminated at the outset. Approximate ideas go hard.

"The first thing on location, of course, is the potentialities of the district. The radius of trade must be good. The immediate next thing is the proximity of other stores. Two in the same block when the location is not midtown would be unhealthy propinquity. Competition is already being met there.

"One of the locations we turned down this year was in the immediate vicinity of a hospital. It was considered very desirable, although another drug store was just across the street. But we reasoned that competition is near enough at hand without our rushing into the very thick of it.

"At First and Broadway the location was in a competitive radius of many stores. But that corner is on an intercity highway and a vantage point for farmer trade from the country east and south. It centers South Denver, a rapidly growing suburb with its own principal business section.

"The stores which preceded us there were of ordinary appearance. None of them had more than a twenty-five-foot frontage. They offered the usual facilities, but without emphasis.

"Our idea had to be entirely different. The fact of being a drug store was not enough. Our store must be imperative

QUOTABLE QUOTES of the Month

IMMIGRATION IS ALWAYS a privilege, not a right.

WILLIAM R. CASTLE, JR.,
Assistant Secretary of State.

THIS MENACE of government competition is the only thing that can shake the credit and disturb the progress of our industrial development.

PHILIP H. GADSDEN,
Vice President, United Gas Improvement Company.

MODERN INDUSTRY cannot afford to employ illiterate labor.

DR. WINTHROP TALBOT,
Industrial Relations Consultant of Boston.

IF AT A GIVEN time every owner of an automobile should fill his car to capacity the entire population of this country could go for a ride in a machine that a few hundred years ago would have been looked upon as a work of magic and whose builder would most probably have been hanged or burned as being in league with the devil.

DEXTER S. KIMBALL,
Dean, College of Engineering, Cornell University.

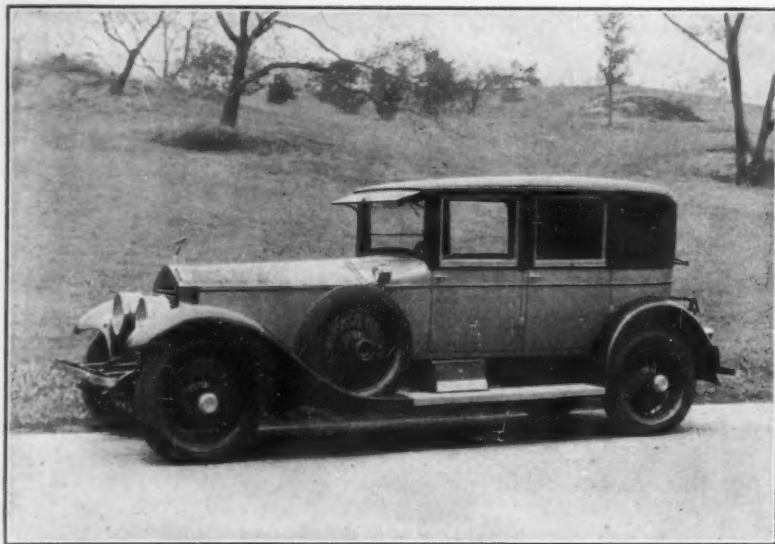
on the outside and too little on the inside.

"Drug stores have been hard hit by the chain-store idea. Yet that druggist who feels only despair and resentment at seeing his former customers daily pass up his store to go into the chain store next door is committing business suicide. If he cannot see his way clear to effective competition, why not consult those erstwhile customers on their reasons for shift in patronage?

"He might be surprised to find how many of those reasons have nothing to do with cut prices. Competition, like everything else, is not difficult in itself. It becomes difficult when you fight it. The calmer and more effective process is to meet it.

"Each of our six stores faces as entirely different conditions as any one of

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CLEVELAND—7505 Carnegie Ave.

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SAN FRANCISCO—461 Post St.
COLUMBUS—362 East Broad St.
PHILADELPHIA—Walnut and 21st Sts.
MONTREAL—4010 St. Catherine St., W.
SPRINGFIELD, Mass.—454 Bridge St.
HARTFORD—326 Pearl St.

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in itself. That was the road to making people come to it, because they liked to come and were assured of service.

"So we put in a store with a fifty-foot frontage and seventy-five feet deep. We fitted it up with particularly handsome fixtures. We made a feature of our soda fountain to get the trade of passing motorists.

"For the same reason, we made a point of an attractive candy display. We specialized on lunches for the trade of the downtown business section. Besides our name above the windows outside were the words, 'Super-Prescription Service.' It was a store of which any business center might be proud and created a very favorable impression.

"In the Park Hill section of Denver, an exclusive residence district, only half a block is given over to business. One drug store was already located there, but the trade radius was so highly desirable that we looked into the conditions further.

A Store Grown Lethargic

"WE DISCOVERED that, as is often the case, this store had grown independent in its trade attitude. With a district entirely to itself, it regarded the importance of service as less imperative.

"In this district customers make no bother of price, but demand convenience. We make a specialty of telephone service. Three messengers are available for delivery of any sort up until midnight. We are willing to encourage an extravagant idea of service with these people. Our business is built to support such a service and studied for cost reduction in what we consider less important aspects; such costs as advertising, for instance, which with us is a minimum; and employe turnover, which is rare.

"The store most recently established is in the center of the business district in a new building erected for the offices of doctors and dentists. It is one of the smallest of our stores and our particular effort has been to make it scientifically modern.

"Three pharmacists handle the prescriptions alone. Their work is done in full view of the public. Day in and day out they are to be seen through the windows of the arcade, and a wide arch above the prescription counter reveals this activity in the store proper. The space behind wall panels and shelves has been adapted to the storage of biologics.

Make Personnel Fit

"ALL-NIGHT service is featured—the only instance of it, however, in our six stores. The fountain service in this store is a special feature. There has been some turnover in this department because it is of the utmost importance with us that everybody fit in with the picture. We are willing to change until we find the right man for each job.

"We come as near to soliciting in this location as anywhere in our organization.

Soliciting has never appealed to us as a method of getting business. It is said to be a practice of some stores to telephone people by way of reminder. We believe that method succeeds principally in arousing displeasure.

"When a woman drops her housework to answer the telephone, only to find the corner drug store on the wire, she is likely to resent the unnecessary interruption of her work.

"But the manager of this particular store makes contacts with the doctors in that building as a part of his routine. It is necessary, of course, to choose a high type of man for this work. Approaching physicians is one of the most difficult of sales attacks. The man who does it must be keenly in sympathy with their problems, must be informed to the last degree.

"He must be able to put our store in the minds of his prospects and reveal our services to them. On the other hand, he is in a position to learn of new developments in medical science. Anything that will bring business closer to the source of its volume is beneficial, and if we can make friends of these doctors, we are that much ahead of the store that merely fills their prescriptions.

"Further, we not only meet their requirements in proper prescription service, but we respect their ethics. A physician does not advertise. We believe that he is to be influenced by the fact that we do no advertising. Perhaps this is only subconscious, but we believe it is important.

Grows by Dividing

"A NEW store with us never means a new organization. The ideal, of course, is to make one store grow out of another. It is not always possible to supply thus an entire staff, but it is easy to furnish a manager. We have to choose no new men to direct stores.

"The manager is always one trained to our methods and known to be satisfactory. He is familiar with every angle of the business. That is possible, because we have no specialized positions in our stores, except in prescriptions. We do not believe in the 'Let George do it' policy. It not only hampers the efficiency of a business as a whole, but it limits the employee.

"As I said, our employee turnover is negligible. In two of our stores there has been no change in three years, and those holding executive positions have, with one or two exceptions, been with us since 1922.

"It is necessary to be a good observer in business today. It is a rare competitor who does not have shortcomings, and that business is the better off which recognizes them and takes advantage of them.

"To make people like to come to a store to trade is the goal never to be forgotten. We believe that the chain store's greatest lesson to its competitors is to show them the depths of the ruts in which they are traveling."

"What you see every day you don't see"



That's of course another way of saying that we grow so accustomed to ever present things around us we cease to notice them. For example—the kind of stationery you use.

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Making the Unfit Fit

(Continued from page 25)

still be true that twenty-five million or twenty million more will continue to operate in order to supply the demand. If they are going to remain in weak hands they are going to continue to be disturbing elements.

If such a large proportion rushes into overproduction from time to time and sells goods regardless of cost in order to continue to operate all the time and if these mills have not the benefit of frequent contact with each other and with the strong mills and the benefit of the example of the latter so as to acquire sounder merchandising policies, how are the fittest mills going to profit in any appropriate measure by their superior fitness?

The assumption that the weak mills will fail and disappear loses sight of the fact that the spindles and looms will not disappear. Even if there should be repeated failure of weaker mills the result would be their reorganization and continued operation and probably in no more experienced and capable managements than was true before the mills in question had failed. Further than that, they would probably be reorganized with lower capitalization and therefore would be able to go still further in the direction of influencing merchandising policies up to the time that they fail again.

I believe these conclusions are unavoidable in spite of the fact that there may well be certain numbers of spindles and looms which upon failing will not be reorganized in any manner. It will still be true that the great bulk of machinery owned by companies which fail will be organized in some manner and in some location and will continue to be a highly serious factor under new management and probably with reduced capital.

Natural Improvement Too Slow

I DO NOT see how the doctrine of the survival of the fittest is going to be an adequate substitute for cooperative endeavor on the part of the cotton mills to raise the efficiency of the industry as a whole and the understanding and adoption of sound business principles by each unit in the industry.

To the extent that the stronger mills absorbed the weaker ones as the latter disappeared, the tendency might seem to be in the right direction, but I do not believe anyone can feel assured that any such process is going to develop with any rapidity and every move toward acquiring greater strength in that way will be accompanied by, and in fact will grow out of, highly disadvantageous merchandising disturbances.

It is not as if the industry could have a short period of a year or two to go through the throes of failure and reorganizations so that at the end of that time it would emerge on a sound basis and in able hands to such an extent that the

weaker element would thereafter be negligible.

Survival of the fittest, even if it worked unfailingly in the right direction, would be a process almost without end and as a result for a period much beyond our lives the industry would remain in a position where the weak elements would be sufficiently in evidence to continue to demoralize the merchandising situation and leave the merchandising policies to be dictated to a highly disproportionate and unsatisfactory extent by the buyers.

The success of any cooperative action in industry is due in great measure to the unanimity with which the industry acts. I have therefore tried to think of the reasons which seem to actuate some cotton textile mills in objecting to such action and in defending their action by their faith in the survival of the fittest.

Some Mills Have Advantage

FIRST there appear to be some mills exceptionally situated and having a trade in particular specialties and therefore feeling entirely satisfied with their situation and their prospects. When such mills say that survival of the fittest will solve the problems of the industry they really mean that they have no special concern as to the solution of the problems of the great majority of the mills which are differently situated. But even the small class of mills so comfortably situated should remember that they are interested in the future and that their present comfortable position is subject to impairment if the merchandise policies of the industry generally are subjected continuously to the unsound policies of the less fit mills without the benefit of co-operation to make those unsound policies sound.

Second, I believe there are a good many mills which are dissatisfied with their own condition and feel that their opportunity for reasonable profits is greatly hampered and, to that extent, are sympathetic with efforts to promote general attention to these matters. Yet they are more comfortably situated for the time being than most of the mills and hesitate to make even a temporary sacrifice for the sake of encouraging the industry in general to pursue sounder merchandising policies, as for example in trying to lessen overproduction.

For example, a mill which likes to run full all the time and which finds it can get orders though they will barely pay cost of production or a shade better may dislike to depart from its usual policy of running full even though its doing so would greatly encourage mills in general to lessen a demoralizing overproduction, and even though its not doing so may discourage or even defeat a policy of balancing production with demand which would be in the interests of the industry. Such a mill, in justifying its course in declining to help, is likely to say that such

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110 SOUTH DEARBORN ST., CHICAGO, ILL.
514 W. SIXTH ST., LOS ANGELES, CALIF.
ROBERT DOLLAR BLDG., SAN FRANCISCO



1005 CONNECTICUT N. W., WASH., D. C.
UNION TRUST BLDG., CLEVELAND, OHIO
152 BROADWAY, PORTLAND, OREGON
21 PIAZZA DEL POPOLO, ROME, ITALY
11 BIS RUE SCRIBE, PARIS, FRANCE
22 BILLITER STREET, E. C. 3, LONDON
4TH AT UNIVERSITY, SEATTLE, WASH.

When writing to the above Steamship Lines please mention Nation's Business

things should be left to the survival of the fittest.

The problems of the cotton textile industry are so complicated and its situation is so unsatisfactory by reason of the vast number of mills and their varying costs and policies of merchandising and the industry is subject to such strong temptation to produce as near 100 per cent as possible, that the only way for the industry to establish itself in a reasonably satisfactory position is to invoke every opportunity for improvement, and I believe that cooperative action on the part of the mills looking to the general education of the industry as to its problems and to the use of sound business methods by each is a definite and promising method which deserves all possible support.

Real Support Needed

BY SUPPORT I do not mean merely paying dues to some trade organization. I mean the support of example. A mill which refrains from group activities such as exchange and discussion of information and views about common problems is not merely refraining from these activities, it is positively discouraging them. A mill which by reason of a slightly more favorable position which it occupies for the moment, decides not to set an example of readjusting production at a time of general overproduction is discouraging in the most direct way the development of the principle and practice of balancing production and demand.

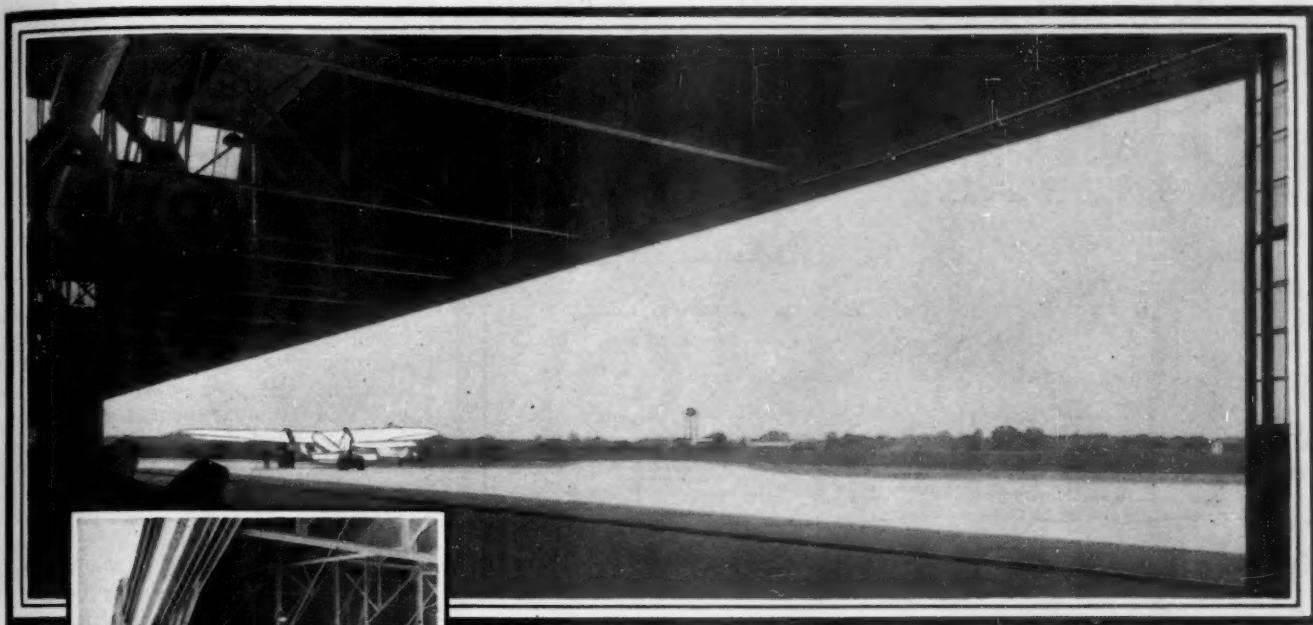
One of the greatest benefits of the existence of such a spirit of cooperation is in establishing in the minds of buyers that the cotton mills have a sense of solidarity and have reached a state of development where they think alike as to some of the fundamentals of merchandising. The way for mills to establish this condition is to promote the exchange of information, and the discussion of their problems in the light of the needs of the general situation. A mill which remains aloof is helping to create the impression upon the part of buyers that there is only a partial sense of unity.

Survival Policy Unsound

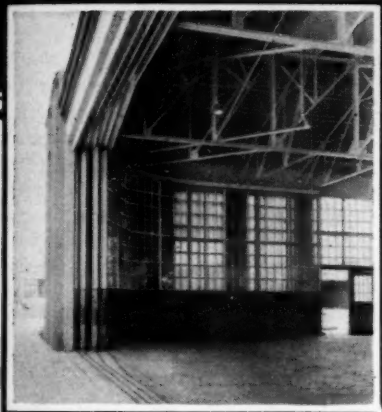
I SAY without hesitation that the doctrine of the survival of the fittest does not offer a solution of the difficulties of the cotton textile industry and I doubt if it does of other industries, and that to rely upon it, or employ it as an excuse for an unwillingness to consider the general conditions and needs of the industry, confuses the real issue and obstructs and postpones the finding of an adequate solution.

Industry needs to develop with increasing emphasis its recognition of the necessity for exchange of information, for common study of conditions of general significance and effect, and for each unit determining its policies in the light of what is needed to promote sound business principles and methods. Industry should not permit itself to be misled by the idea

The 300-foot hangar doors at the FORD AIRPORT are one-man doors . . .



One of the two door openings in the Ford Hangar, Ford Airport, Dearborn, Michigan.



Showing how Fenestra Doors can be rolled into an out-of-the-way position parallel to the end walls.

Standard Specifications

Stiles and rails of $2\frac{1}{2}$ " x $2\frac{1}{2}$ " steel tubing solidly welded at all junctions.
Panels of solid rolled steel sections $1\frac{3}{8}$ " deep.
Glass held by glazing angles. Lower panels of solid 13-gauge steel plates.
Double flanged, cast steel wheels, mounted by housings and plates and equipped with roller or swivel ball bearings.
Bronze-bushed steel rollers at head serve as guides and reduce friction.
All doors designed to roll on steel tracks which will carry entire door weight.
Designed for straight track or curved track operation as desired.

. . and they're *Fenestra-built*

Thirty Fenestra Hangar Door units, each approximately 10 feet wide by 20 feet high, are installed in each of the 300-foot door openings of this Ford Hangar Building. Look at the wide opening. It's quickly cleared by these one-man doors, which roll upon tracks embedded in the floor. All doors are carried around parallel to the end walls—entirely out of the way.

These are not only doors—they're windows, for each door unit is two-thirds glass, and the end walls are mostly Fenestra Windows. Here maintenance and repair operations on Ford Ships in daily use are performed under the best of daylighting and ventilating conditions during all kinds of weather.

This Ford Hangar is but one example of many Fenestra aviation projects. Fenestra Engineers are serving airports, flying fields and airplane manufacturers throughout the country.

DETROIT STEEL PRODUCTS COMPANY
2239 EAST GRAND BOULEVARD DETROIT, MICHIGAN

Fenestra

HANGAR WINDOWS *and* DOORS

When writing to DETROIT STEEL PRODUCTS COMPANY please mention Nation's Business

BEDAUX MEASUREMENT OF LABOR DISCLOSES MIS-DIRECTED OR UNUTILIZED EFFORT AND DIRECTS IT INTO PRODUCTIVE CHANNELS. PRODUCTION HAS BEEN INCREASED 44 PER CENT IN THE INDUSTRIES WHERE BEDAUX CONTROL OF LABOR HAS BEEN APPLIED.



The application of a common denominator in the measurement of human power was originated by Chas. E. Bedaux.

Today, this principle is successfully applied under his personal control in industrial plants.

THE CHAS. E. BEDAUX CO. OF N. Y., INC. . . THE CHAS. E. BEDAUX CO. OF ILLINOIS, INC.
New York City Chicago

THE CHAS. E. BEDAUX CO. OF PACIFIC STATES, INC. . . CHAS. E. BEDAUX, LTD.
Portland, Ore. London, England

SOCIETA ITALIANA BEDAUX . . DEUTSCHE BEDAUX GESELLSCHAFT, M. B. H.
Turin, Italy Hannover, Germany

Simply plug in to your light socket and PAINT

The No. 290 Matthews Mechanical Painting Equipment is a complete, high quality, portable painting machine of handy size made up of electric motor, compressor, air supply tank, material container, air and material lines and the well known Type L Matthews Gun. Two men can lift this unit with ease, and the entire equipment can pass through a space 14 inches wide.

NEW LOW PRICE

Send for complete information and low price. This is the ideal machine for maintenance painting, product finishing and refinishing work. Equipped with a muffler that makes it practically noiseless when in operation. Write to

W. N. MATTHEWS CORPORATION
3758 Forest Park Blvd. St. Louis, U. S. A.



MATTHEWS MECHANICAL PAINTING EQUIPMENT

JOHN HANCOCK SERIES

John Hancock Policies

The Best for Business Men:

Life Insurance
Endowments
Annuities
Retirement Funds
Mortgage Replacement
Group and Salary
Deduction
Total Disability
Double Indemnity

All necessary forms for Home and Family protection as well as contingencies in business. Liberal contracts and prompt adjustments. For full information, address

INQUIRY BUREAU

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

197 CLARENDON STREET, BOSTON

\$2,764,000,000 Insurance in Force.

If your policy bears the name John Hancock it is safe and secure in every way.

N.B. SIXTY-FIFTH YEAR OF BUSINESS

that it can disregard and discourage all such efforts at legitimate cooperation and find a panacea in the survival of the fittest.

There is a better way to get rid of the unfit in industry than through bankruptcy. In fact, the only permanent way of getting rid of the unfit is by such an improvement in understanding of business methods that the "unfit" become fitted to carry on their business in a way which will neither bring disaster to themselves nor seriously impair the legitimate interests of the stronger units as well.

One for All and All for One

IT IS not those industries where bankruptcies prevail and the weak are being forced to the wall that are making a sound contribution to American industrial life and general welfare at the present time.

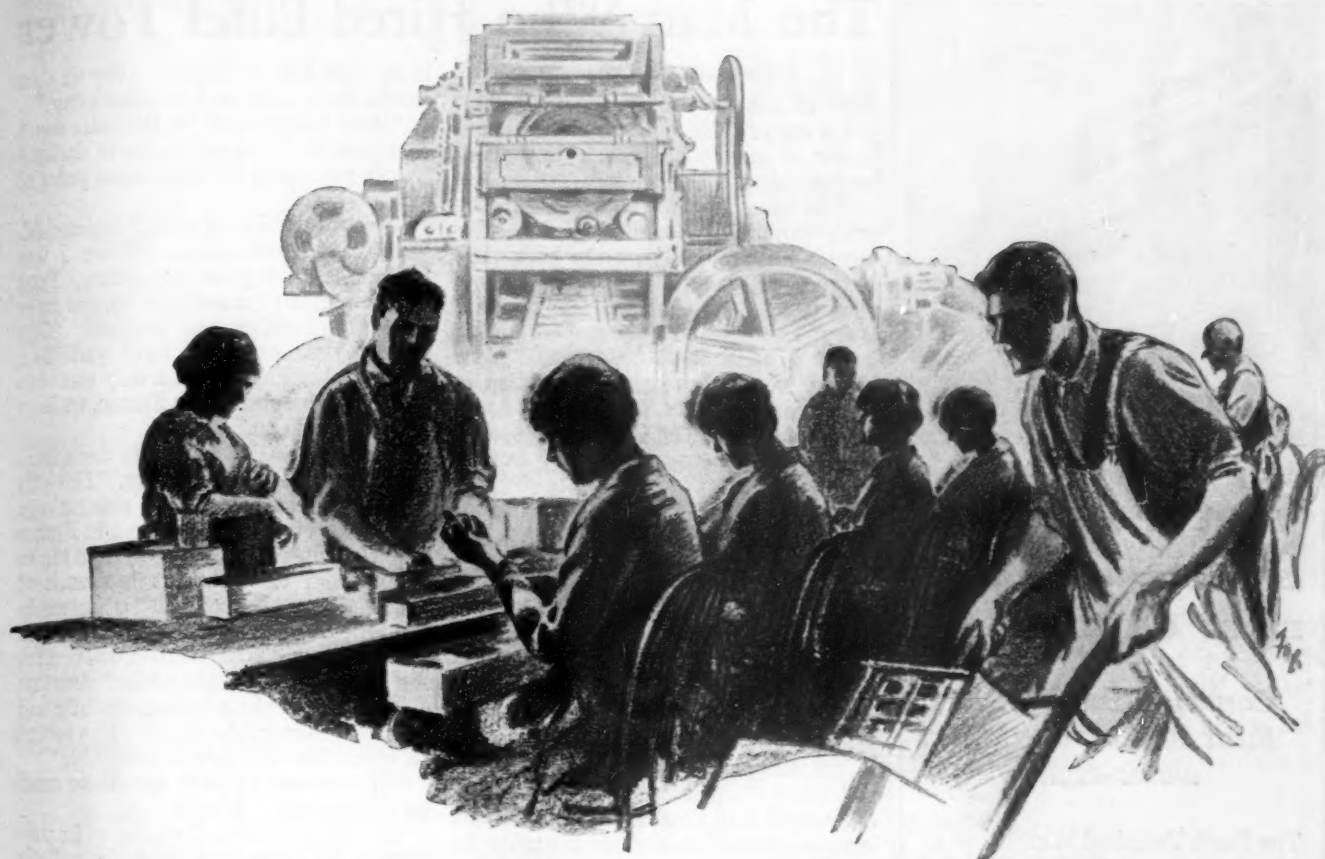
It is rather industries where there is a prevailing appreciation of sound business principles, and where each unit realizes that it is not doing business in a water-tight compartment, unaffected by the condition of its fellows, but that the reverse is true. It is those industries where each unit realizes that it cannot wisely plan its own policies without a very keen appreciation of conditions which prevail generally in the industry and taking those conditions definitely into account. It is those industries where each unit appreciates that a policy dictated solely by what appears to be immediate self-interest and without regard to its effect upon the condition of others is apt in the long run to be indirectly disastrous to itself as well as to others by contributing to keeping the industry as a whole in a condition where the legitimate rewards of even superior efficiency and effort cannot be secured by anyone.

Leisure and Hotels

ALONG with providing food and lodging, hotels of the future may take to offering culture as an added public convenience. This eventuality seems a reasonable expectation when viewed through the eyes of William H. Silk, president of the United Club Residence Corporation of New York City.

He proceeds to his conclusion by recognizing that modern machinery is giving more and more leisure for people to use. Whether or not leisure is productive of course depends on the conditions under which life is lived. For Mr. Silk that circumstance is enough to invite consideration of the hotel "not merely as an address, but as a cultural center, a community wherein human beings will find an enlarged self-realization."

As for "self-realization" in the 25,950 hotels of this unrefined present, the untimely guest probably would sacrifice grace of mind for ease of body if any one of the 1,521,000 rooms were available to his need.—R. C. W.



Does your plant need a machine that has never been built?

IN nearly every plant there is some department, some process that is losing money because of any of the following reasons: (1) Inefficient or out-of-date machinery. (2) Some complicated production process that is being done by slow, expensive hand labor, *because no machine has ever been built to do the work.*

If this is true of your plant you need not continue to lose money while you wait for somebody to develop the machine you need. Special Production Machines, Inc., will do it for you. Perhaps a little redesigning of your present machinery or methods is all that is necessary. In any case, Special Production Machines can help you.

Any work undertaken by Special Production Machines, Inc., in your plant is kept confidential. So whatever economies and improvements Special

a machine CAN DO IT

Production Machines, Inc., effect in your production is just that much gain on your competitors.

During the first six months of this year several hundred of the country's leading industrial plants

brought their problems to us. For some we have improved or speeded up their present machinery. For others we have designed special machines to replace costly hand operations where waste of time and material has been excessive. For nearly all of them we have been able to save thousands of dollars, as well as reducing waste and improving the finished appearance of their merchandise.

A booklet describing the services of Special Production Machines, how it operates and how it is serving manufacturers, will be sent on request. Special Production Machines, Inc., Norfolk Downs, Mass.

SPECIAL PRODUCTION MACHINES

— INC. —

A Division of

PNEUMATIC SCALE CORPORATION, LIMITED

For over thirty-five years Pneumatic Scale Corporation, Limited, has manufactured automatic labor-saving machinery for many of the world's largest producers of merchandise.



Water on One Side—dry basement on the other

**Common Brick Walls
built 20 years ago still
water-tight**

The Pugh Terminal Warehouse at North Pier, mouth of the Chicago River, is an excellent example of the permanency of Common Brick. Built 20 years ago it is today as good as new.

An interesting point in the construction of this building is that Common Brick was specified in order to save time, as this mammoth building had to be completed within 90 days. The use of brick enabled the contractor to complete the job two weeks ahead of specified time.

Another important feature is the use of brick along the water front with a coating of portland cement on the exposed side. This construction has proven absolutely waterproof.

This building averages six stories high on the street side and seven high on the water front, is 1800 feet long by 122 feet in width.

A great many contractors are specifying Common Brick for buildings of all sorts and the foregoing confirms the wisdom of this trend in building. Write today for detailed information.

The COMMON BRICK
Manufacturers Association
of America

S-2135 Guarantee Title Building
Cleveland, Ohio

When writing please mention N-tion's Business

The Man Who Hired Eiffel Tower

(Continued from page 42)

None of the details? Wait, I will show you a copy." He rang an electric summoner as energetically as a New York broker thirsting for prompt action.

"We have now had four issues; one every month. It is a full-page advertisement, to appear only on the back page of the newspapers. It is made up like a news page. It is a news page. I have it every month in 200 newspapers and it has a circulation of 50,000,000. Your biggest weekly has only two million in circulation. The *Petit Parisien* has a million and a half. The Citroen newspaper is the biggest newspaper in the world."

Advertises Extensively

THERE was pride unmistakable in this statement—likewise the tone of a man accustomed to think and act in big terms. In France, M. Citroen is renowned as the greatest sponsor of the power of advertising. He has dashed in where no other French manufacturer dared follow.

That, I think, is much of the secret of M. Citroen's success as a manufacturer of automobiles. Whatever is practical and good business he has seized upon. Convinced that Ford had the right idea in mass production and small profits, he launched his business on that basis. That was one idea borrowed from America. His extensive advertising campaigns are another.

"We now produce 400 cars daily," he said. "But we are buying new machinery in the United States, three million dollars' worth. When this is installed next year we shall turn out 800 cars daily."

"But how can the market take care of this tremendous increase?"

"In the United States," he replied, "there are 25,000,000 automobiles now running. Of this number General Motors makes 1,500,000 or six per cent. If you take France there are only 1,000,000 cars running, of which I have made 120,000. That is, I make 12 per cent of the cars now running and next year I will increase it to 20 per cent."

"What is the answer to that? It simply means that Europe needs more cars. In proportion to the population, the need over here is much greater. For example you have one auto to every five inhabitants in the United States. And in Canada there is one to every 10 persons. In France we have one auto to every 43 inhabitants. There is one to every 45 in England; in Belgium, one to 60; and in Russia, one to every 7,000."

"In America you produce 4,000,000 motor vehicles a year. France comes second with 200,000 a year—but even so, there remains a tremendous margin. In England 190,000 autos are manufactured yearly; in Italy 64,000, and in Germany only 54,000."

"You can easily calculate the results of these figures. There is today a much bigger opportunity for automotive development in Europe than in the United States. In ten years we will begin to be

in or near full production. For us that should mean 2,000 or 3,000 cars a day."

"But," I suggested, "in that case won't you pass the peak and begin to decline? Won't you reach the stagnation point of production?"

"No, not for a long while," insisted M. Citroen with conviction. "When I was in America five years ago, Henry Ford said to me, 'always make more and more cars, and cheaper and cheaper.' That is exactly the policy we have worked on from the beginning. With only one auto to every 43 inhabitants in France, we have a long way to go."

Our conversation turned to the advertisement on the Eiffel Tower. This was the first great commercial electric sign which had ever been displayed in France and when first it blazed forth, from top to the bottom of a famous landmark of which every Frenchman is intensely proud, storms of protest broke loose in Paris. For weeks M. Citroen was berated for cheapening a distinguished structure—even though the occasion which he had chosen to inaugurate his great sign served to lessen the criticism appreciably.

"The upkeep of your sign there must be considerable," I hazarded.

"No, it is not at all expensive in proportion to its value," said the *roi des autos*. "In fact, the rental and maintenance of the Eiffel Tower lights cost 1,500,000 francs (about \$60,000) a year. That's the cheapest and best advertising I ever had. After all, there's nothing like it in the world."

I wanted to pin M. Citroen down to the exact details of how he managed to "sign up" the Eiffel Tower; how he persuaded the authorities that such a sacred French landmark should be used for commercial purposes. His sole explanation was this:

Advertisement as Art

"I FIRST used the Eiffel Tower sign during the Decorative Arts Exposition." This one sentence perhaps tells most of the story. Surely it was far easier for M. Citroen to persuade the Paris authorities that an illuminated Eiffel Tower would be a stellar attraction of the Decorative Arts Exposition than it ever would have been for him to convince the same authorities that the sign should be inaugurated as a combined business proposition and a feature of "Paris by night."

When M. Citroen offered to transform the Eiffel Tower into the largest and most brilliant night spectacle of its kind in the world—and pay all the expenses out of his own pocket—what could the authorities say? They were extremely anxious to have the Paris exposition shine. So they allowed the farsighted M. Citroen to add very decidedly to its lustre. After that, regardless of the protests of those who shuddered at the commercialization of the Eiffel Tower, the ice was broken, and the seven-lettered word remained, flaming forth above the roofs and boulevards of Paris.

.. 246 papers ...in a bank where 18 could do all the work

MOST successful business executives take a just pride in their ability to apply *man-power* effectively and economically. Yet often these same men will keep an army of papers on the payroll, doing the work that one-tenth of the number—chosen with a genuine understanding of requirements and standards—would accomplish with greater efficiency.

A few months ago, the Paper Users' Standardization Bureau was asked to study the papers used by one of the greatest banks in the Middle West. The letterheads, business forms and records of this company were then on 246 different bonds, ledgers and index bristols, some suitable and some entirely unsuitable for their purpose.

As in many other offices, this multiplicity of papers was due, not to any intention on the part of those responsible, but to lack of system in paper buying.

When a new form was ordered, the choice of the paper to be used was made more or less at random, governed by no definite specifications. As a result the bank was purchasing a variety of papers in insignificant quantities and paying a premium for every pound bought.

Analyzing the uses and purposes of all the business forms employed by this bank, the Paper Users' Standardization Bureau set correct paper standards for every one. And the total number of different papers required—including all the needed bonds, ledgers and index bristols—was *eighteen*.

This tremendous reduction in brands and grades has now made it possible to buy these papers in case lots instead of reams and broken reams, and thereby save anywhere from 1¼ to 5¼ cents per pound. And most important of all, every paper is absolutely right for the work it has to perform.

Several hundred firms, including some of the largest corporations in America, have gained in efficiency through having their business forms surveyed by the Paper Users' Standardization Bureau.

★ *This confidential service
is yours on request*

The service of the Bureau is to make a thorough quality and utility analysis of the paper used for every form you employ. This work is done in one of the most complete paper laboratories in the world. When it is finished you have a comprehensive report which establishes quality standards, fixes price limitations, suggests economies and simplifies buying procedure. Because of the scope of this service, it can be rendered only to a limited number of corporations this year.

It is made without charge and you are placed under no obligation of any sort.

AMERICAN WRITING PAPER COMPANY, INC.
Holyoke, Massachusetts

EAGLE



PAPERS

THE RIGHT PAPER FOR THE PURPOSE

Eagle-A Bond Papers

Coupon, Agawam, Persian, Contract, Airpost, Chevron, Acceptance, Norman, Telephone.

Eagle-A Ledger Papers

Brunswick, Linen Ledger, Account, Linen Ledger, Extension Ledger, Massolit Ledger.

Other Eagle-A Business Papers

include Covers, Books, Offsets, Bristols, Mimeograph and Manifold Papers.

LOOK FOR THE EAGLE-A MARK IN THE
PAPER YOU USE



This book, "Making Paper Pay Its Way," describes paper standardization as it applies to an individual business, and records the results achieved in a number of large American companies. Upon request we shall be glad to send a copy to any interested business executive.



A Print-Shop on Your Desk

The biggest Multistamp could hide under your hat and cost only \$25.00 completely equipped, but it will duplicate LETTERS, POST CARDS, NOTICES, FORMS, MENUS, TAGS, LABELS, DRAWINGS, HANDWRITING. Prints on paper, cloth, wood—any smooth surface.

No Delays

Just write, typewrite or draw on a dry stencil, snap it onto Multistamp. Roll off the prints, perfect copies,—40 to 60 per minute—right at your desk. No type to set. No moving parts. Anyone can operate it easily. GUARANTEED.

LETTER SIZE \$25⁰⁰

POST-CARD SIZE \$15⁰⁰

RUBBER-STAMP SIZE \$7⁵⁰

All Three in Handsome Metal Cabinet \$50.00
(Prices F. O. B. Factory)

MULTISTAMP
— REG. U. S. PAT. OFFICE —

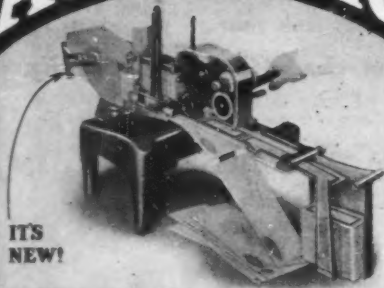
Over 150,000 USERS

Write for Catalog and Samples of Work

THE MULTISTAMP COMPANY INC.
527 W. 20th St., Norfolk, Va.

Agencies in most principal cities
Salesmen & Dealers wanted in a few open territories

AUTOMATIC



ITS
NEW!

NO more slow hand-feeding of envelopes into an addressing machine one by one! — Get a demonstration of this wonderful new popular-priced addresser. — It automatically feeds envelopes into itself as fast as you can turn the crank.

**DOES A DAY'S WORK
IN 5 MINUTES**

Four times faster than other addressing machines of similar size and price.

For complete information and a FREE BOOK on Direct-Mail Advertising, pin this ad. to your business letterhead and mail to us.

ELLIOTT

ADDRESSING MACHINE CO.

144 Albany St., Cambridge, Mass.

When writing please mention Nation's Business

CHIPS FROM THE EDITOR'S WORK BENCH

PERIODICALLY, the male of the species is called a slave of something or other, and for the most part, is moved to marvel at the conveniences of serfdom, rather than to rebellion.

Now, the women are in for it. Silas Bent, whom we know by editorial association as gentleman, scholar, and philosopher, is wrangling them about their vassalage to the fashion magazines.

Through the *Century* he tells us that they subscribe by the million to magazines which are merely modern editions of *Godey's Lady's Book*, and nearly all of which are edited by men. Worse, by his reckoning, they obediently buy the things which they are told have style, whether or not the things have durability and workmanship. He sees them bearing in uncomplaining silence the disparaging assumption that they are incapable of understanding a man's world, and that they have no interest in anything beyond the kitchen range, the dressing table, and the cradle.

That judgment of domestic peonage does no credit to the nineteenth amendment, but there is something in hand to argue taking the verdict under advisement. When the National Federation of Business and Professional Women's Clubs met in New Orleans in June, 2,500 delegates were registered at headquarters, and one of the major topics for discussion was the relation of the United States to the World Court. Obviously, the sex has justified its place in the present *Century*, but there is no lack of evidence that it is taking its part in NATION'S BUSINESS. Like the great William, the esteemed Silas can find as much of reason to write, "they fool me to the top of my Bent."

CONSISTENCY is well served when the traffic manager of the Ford Motor Company puts his faith in transportation as the chief instrumentality for national development. Admitting his



belief in its generality, it is apparent that transportation has no virtue of guidance in itself. This need of direction was recognized by W. C. Cowling when he urged members of the Port Huron chamber of commerce to take a larger interest in railroad affairs.

Mergers, for example. "The present tendency to merge smaller railroads

should be watched by this community. When a merger is contemplated, the city should ask 'What is Port Huron's place in the system?'" And for emphasis, perhaps—"Markets and their availability make a city."

For Mr. Cowling, the linking of a weak road with a weak road raises its own doubt that union is always strength. Reducing the problem to the human equation, as he does, he seems to ask, "What hope of profit could there be in a firm of poor house inmates?"

THE complaint of too much government in business probably has been made in all tongues. For the only novelty discoverable in the protest made by directors of the Darmstaedter and National Bank would be its German text.



Translated into English it is directly familiar, and savors strongly of our own industrial philosophy. A vigorous individualism is more than ever needed in Germany, these bankers say in contending for the return of the state within the limits of its purely governmental activities.

It is their position that the state should cease its endeavors to convert free economy into one manipulated by administrative authority.

But it is their reasoned comments on taxation that appeal most to the sympathy of fellow feeling. A reduction of taxation is urgently necessary, the Darmstaedter directors argue, and in that behalf they cite the calculation of the Association of German Industries that 63 per cent of company profits subject to assessment are paid in taxes.

To give immediate weight to their plea they take evidence from their own bank. It pays 7,200,000 marks in dividends, and 9,400,000 marks in taxes. In one aspect the figures attest operations in high finance. The larger question, as posed by the bankers, is whether the excess of taxes over dividends signifies sound statecraft.

ILLUMINATING to Englishmen as must have been the report of the Balfour Committee on Industry and Trade, the findings provide Americans with official substance for comparing the sit-



Is Your Sales Manager a Time Table?

Whether you sell soap, shoes or insurance, *time* is a vital factor in your success.

Is your sales manager able to direct your efforts so that a maximum number of the hours you work will be productive time?

Or are his hands tied by the limitations of railroad schedules?

Aggressive, ambitious salesmen have become discouraged through the discovery that their real sales manager was a railroad time table which fatally handicapped their activity.

More and more such men are freeing themselves from time table

tyranny by joining companies with motorized sales forces.

Throughout the country you will find them cultivating their territories intensively in Dodge Brothers Motor Cars—making every minute count in commissions, and in more profits, greater good will for the firms they represent.

Trail-blazers in the development of passenger car fleets for both large and small businesses, Dodge Brothers are today better equipped than ever to serve you well in this aspect of economical distribution.

If Dodge Brothers Standard and Victory Sixes had been designed

expressly for salesmen, they could scarcely meet their needs more completely. Swift, safe, sturdy, low in operating cost, high in prestige-building appearance—these smart, easy-to-handle Sixes are winning increased favor both with employees who drive and employers who buy them.

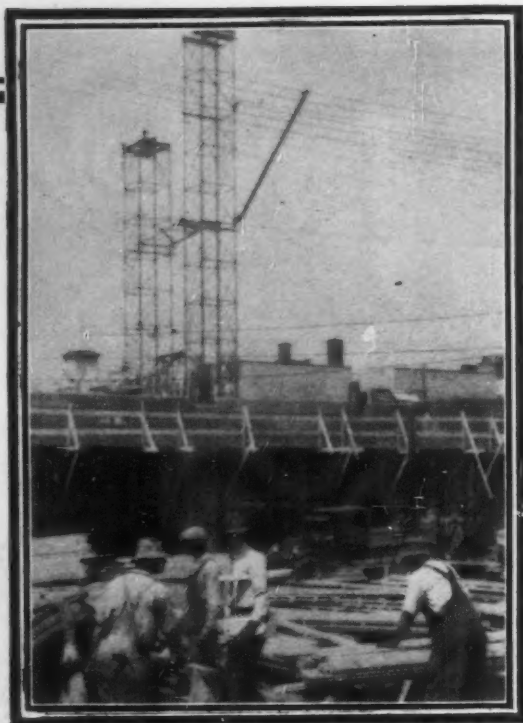
Executives are invited to write for a free booklet recently published by Dodge Brothers—"The Economy of a Motorized Sales Force." It contains records of actual experience in fleet operation and a stimulating, authoritative discussion of the question, "Shall the Company or the Salesmen Own the Cars?"

DODGE BROTHERS CORPORATION

DIVISION OF CHRYSLER CORPORATION

DETROIT, MICHIGAN

When buying a Dodge please mention Nation's Business to the dealer



The M. D. Hubbard building, one of the important downtown improvements in Pontiac, Mich., now being built by Ferguson Engineers

Your complete satisfaction without argument.

IN principle and practice the Ferguson international organization of engineers has always backed its work to the limit.

Today—on lump sum building contracts—Ferguson gives a written, binding guarantee* for five years.

But whether the contract for your building is let on this basis or not, you can rest assured of complete satisfaction—without argument. This is always guaranteed by Ferguson.

Because Ferguson's work is so uniformly satisfactory, a large proportion of contracts comes from previous customers.

Among repeat buyers for whom Ferguson is building today are: A. P. W. Paper Co., Borden Southern Co., Ford Motor Co., The Grasselli Chemical Co., Monongahela Railway Co., Nippon Electric Co., Remington, Rand, Inc., The Selby Shoe Co., Showers Bros. Co., Tokyo Electric Co.

Before you start your plans, let Ferguson Engineers show you how they can help you.

THE H. K. FERGUSON COMPANY

Cleveland Office: Hanna Building • Phone: CHerry 5870

New York Office: 25 West 43rd St. • Phone: Vanderbilt 6361

Detroit Office: General Motors Bldg. • Phone: Empire 5586

Birmingham Office: Title Guarantee Bldg. • Phone: 39709

Tokyo, Japan Office: Marunouchi Building

Ferguson

ENGINEERS

*The Ferguson organization guarantees its work against defective workmanship and materials for a period of five years after date of completion. This guarantee applies on all lump sum building contracts undertaken by Ferguson engineers on plans and specifications which they have prepared or approved for such guarantee.

When writing to THE H. K. FERGUSON COMPANY please mention Nation's Business

uation in the United States. Between 1913 and 1925, labor costs in England went considerably beyond the increase in the weekly rate of wages. That condition would indicate that output per worker had declined since 1913, but the committee attributed the decrease to reduced working hours, "short time," and intermittent work in a period of trade depression.

When interpreted by Walter Layton, editor of the *London Economist*, these results

are in startling contrast to those achieved in the United States of America, where rising wages have been accompanied by a fall and not a rise in labor cost per unit of production owing to the tremendous increase in output per head, which is said to have risen some 40 per cent in manufacturing industry. With this increase there has gone a marked rise in wages. Money rates of wages between 1914 and 1926 rose 123 per cent, and as the cost of living cannot have risen by more than 50 or 60 per cent it is evident that the purchasing power of the American worker has enormously expanded.

Industrial changes have not expanded the production of the individual worker in England, and it is in that fact that Mr. Layton finds the cause of a national statement. As he states the case,

we cannot get 100 per cent output from our plant and machinery unless we can sell in the world's markets. We cannot gain these markets except by cheap production. We cannot cheapen prices because production costs are unduly high as the result of broken time. The key of the situation is output. This means efficiency in the factory and the concentration of production. If the former is a matter for the individual worker, the latter is a matter of policy which may call for consultation between those engaged in our leading industries.

The acuteness of the situation gives its own emphasis in England. For Americans there is enduring point in this fresh reminder that all business is inter-related and inter-dependent.

ADMITTING that style would not be a style if it did not change has made little of the riddle of its composition. New promise of light is now at hand in the fashion clinic directed by a New



York firm of merchandising counsellors. The fee required for a seat at the lectures and discussions demonstrations was \$200. It is plain enough that more and more of scientific method is being put into business. And it is just as clear that a professional approach to selling fashion through clinical examination is itself in style with the analytical quality of modern storekeeping. Certainly the fee would be well spent if practitioners of

George Briggs, President
of Screw Machine Products Corporation,
Providence, R. I.

Makers of The Select-O-Phone, automatic
organizational telephone system and man-finder
for banks, residences, theatres, wholesalers, re-
tailers, mills, factories, etc.

"It carries my
ideas *through*

and gives me a written
record besides"

says GEORGE BRIGGS, the Select-O-Phone man



"The great thing about The Dictaphone is that it
makes it easy for you to do the thing you ought to
do when you ought to do it," says Mr. Briggs.

"Another great advantage of The Dictaphone," he continues, "is
like that of the Select-O-Phone. *They both cut-down those thought-
killing waits*—waiting until a stenographer is available—waiting
until a switchboard operator can locate your man. Furthermore,
both of them are always on duty, *always available on the instant.*

"My foreign business trips and my frequent hunting excursions
would have to be cut short if I were slowed up by cumbersome,
inefficient shorthand.

"I talk all my ideas directly into The Dictaphone the instant they
occur to me. Conferences also are recorded, and instructions put
through, by Dictaphone. So, when I initiate policies in manufac-
turing, advertising, and selling, they are on record and go through
whether I am present or absent."

Sarah M. Gorman, Secretary to Mr. Briggs, says, "The
Dictaphone is my standby. I like this system much better
than shorthand. The Dictaphone is more accurate, and it
gives me a chance to attend to company matters for Mr.
Briggs that are far more important than mere typing from
shorthand notes."

NOW —
The Dictaphone in
COLOR

Keeping step with the times,
The Dictaphone now presents
its New Model 10 in a range of
pleasing colors.

Make a Dictaphone analysis of your own business

Send Coupon for free analysis and working report of com-
panies using from 3 to 300 Dictaphones. Blank spaces are
included for a Dictaphone analysis of your own business.

DICTATE TO THE
DICTAPHONE

Reg. U. S. Pat. Off.

and double your ability to get things done

Dictaphone Sales Corporation, Graybar Building, New York, N. Y.	NB-6
<input type="checkbox"/> Mail the Report and Analysis blanks.	
<input type="checkbox"/> You may demonstrate The Dictaphone in my office.	
Name.....	
Address.....	
City.....	



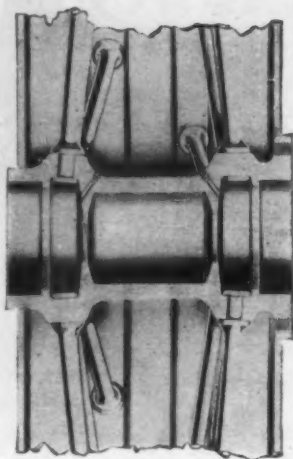
When Threshing Is Done On Wheels

LEADING makes of combines are equipped with French & Hecht Wheels because the wheel equipment is an important factor in the efficient operation of these machines.

Each wheel must be designed for its particular load and position. The wheels must contribute to light draft of the machine and be strong enough to withstand the strain from continued use in uneven and rocky fields.

French & Hecht Steel-spoke Wheels are of a distinct type of construction. The method of fastening spokes to hub and tire is a highly developed process that assures a far stronger wheel. This is why French & Hecht Wheels are actually about 35% stronger than other wheels of comparable weight.

French & Hecht has made a study of wheel requirements and design for all conditions and uses. This specialized service is offered manufacturers. Any information concerning wheels will be gladly supplied. Write.



Each spoke is heated and forged in the hub, forming a head on the inside and a shoulder on the outside, similar to a boiler rivet.

The outer end is expanded in the tire with a shoulder on the inside and is riveted on the outside

There can be no other Steel Wheels like French & Hecht because the essential features of construction are exclusively French & Hecht.

FRENCH & HECHT, Inc.

Wheel Builders Since 1888

DAVENPORT, IOWA SPRINGFIELD, OHIO

FRENCH & HECHT

STEEL WHEELS

When writing to FRENCH & HECHT, INC., please mention Nation's Business

merchandising learned better how to diagnose trends of fashion and how to operate for profit.

POSSIBLY it is because the business world so generally recognizes the importance of highly specialized judgment that there is more of news than novelty in the announcement of a firm of counsellors on aviation problems. A shingle hung out in New York now gives notice that Black & Bigelow, Inc., are ready for consultation on all matters related to aircraft operation.

The staff includes men with experience in the technical and business branches of aviation, including engineering and design, investigation, inspection, appraisal, organization of flying operations, business development, advertising and accounting.

The need for such an institution is readily apparent, for flying is not the whole of aviation. Cool heads and long purses are required for laying the groundwork.

Dividends are in the air, of course, but it has been expensively demonstrated that they are not to be plucked without the aid of seasoned counsel. In time it will be more thoroughly understood that a successful commercial plane is "one that will support itself in the air—financially."

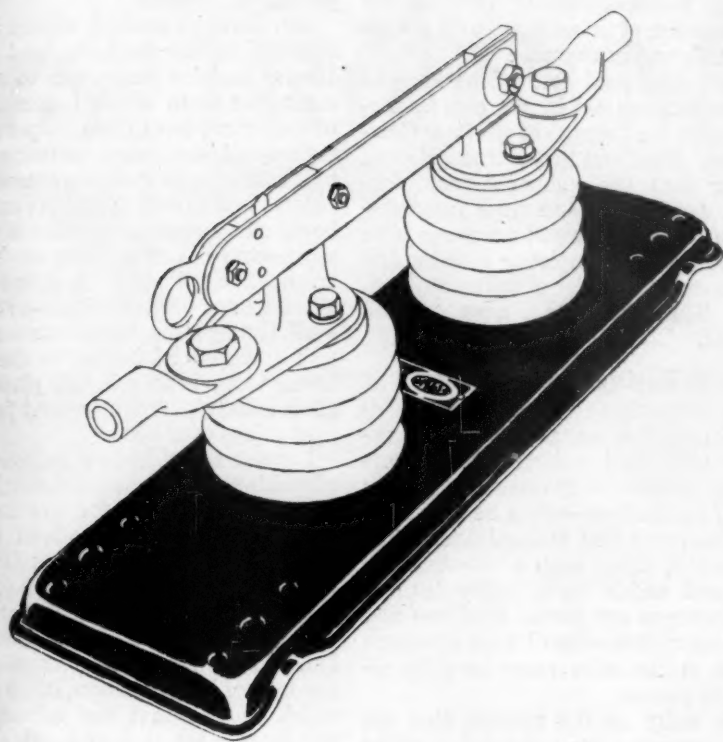
IT IS always a seasonable question as to what outdoor sports most interest young America and old America, too, for that matter. While individual answers are likely to be as various as the persons who give them, a larger report is at hand in a statement by the Playground and Recreation Association of America. According to the association's figures, the six most popular sports last year, ranked by the number of teams using municipal playgrounds, were: Playground ball, 16,129; baseball, 14,676; basketball, 13,052; volley ball, 6,179; horseshoes, 4,901; and soccer, 3,493.

Tennis courts increased by 723, swimming pools by 147, and golf courses by 69 over the totals for 1926. And for a sign of the times, model aircraft construction and flying, a new activity on public playgrounds, was reported last year by 138 communities.

Municipal provision for recreation cost \$32,191,763 in 1927. For 1926, the expenditures were only \$19,200,000, and four years before, the comparatively paltry sum of \$9,317,000. Nearly half the outlay last year was for land, buildings, and permanent equipment. The remainder was spent for salaries and upkeep.

Along with their obvious indication of increasing facilities for community recreation, the figures are also significant of the tremendous amount of work necessary to provide grounds and equipment for sports.

That play yields primary dividends of health is well known. It is not so readily recognized that it sustains a considerable group of specialized abilities and industries.



if

**IF we could cut your cost 80%
—IF we could cut out 100% of
the machining and 20% of the
assembling—IF we could do this
for you, as we have for many
others, would you write us and
ask for facts that apply to your
own problems?**

**THE YOUNGSTOWN PRESSED STEEL CO.
505 UNIVERSITY ROAD
WARREN, OHIO**



The Base (shown in solid black) was redesigned and furnished by YPS to replace a malleable casting. While the savings in this case are exceptional, they usually run from 10% up to a point where the complete pressed steel part costs less than the machining of a casting.



"Sticking" Stamps by hand Wastes Time

The Multipost saves time in affixing stamps. Accomplishes 5 hand operations in one split-second stroke of its plunger.

Saves stamps, as well. Keeps them in rolls, in one safe place. Prevents loss and spoilage. Automatically counts each one used. Makes accounting for stamps practicable. Discourages misuse. Also, clean, orderly, systematic.

MULTIPOST

STAMP AFFIXER AND RECORDER



Used in over 100,000 offices. Needed in every office. Representatives in all principal cities.

free trial

in your own office will prove its economies.

Mail this Coupon

Multipost Co., Dept. Dg, Rochester, N. Y.

- ☐ Send Multipost on free trial or
☐ Send literature containing interesting information on stamp handling.

Name

Firm

Address



ARLAC

Dry Stencils

are especially good for the reproduction of stylus work in charts, diagrams and drawings. Typewritten copy is clear and definite.

Because you'll get better results with Arlac Dry Stencils we'll send you one—free.

ARLAC DRY STENCIL CORPORATION
419 Fourth Ave. Pittsburgh, Penna.

Please send one free Arlac Dry Stencil for use on Duplicator

Name

Address

My dealer is

When writing please mention Nation's Business

Backbone or Paternalism?

By LIONEL B. MOSES

IN THE February NATION'S BUSINESS an article appeared, pleading for "More Government Regulation in Business"—really pleading for legal sanction of price-fixing, with a Federal wet-nurse in charge.

The author said restrictions imposed by the Sherman Act have grown intolerable under the pressure of the New Competition. No doubt that is true. He said further that the industrial conditions which gave rise to—perhaps justified—the Sherman Act some 35 years ago have now changed so completely that the law has become a throttler of legitimate business. This claim, too, may be well founded.

Says Buying Not Dishonest

BUT when the author says the governmental ban on price-fixing in restraint of trade has corrupted the purchasing policies of railroads and other lines of big business—when he draws the plain inference that railroad and industrial buying today is on a dishonest, vicious and unfair basis, solely because manufacturers are forced into free and open competition—then I hope a veteran private in the sales army may be allowed to protest.

It is really on this premise that the whole argument for price fixing under government control is based. The premise is unsound; and arguments resting on this false foundation are dangerous mischief-makers.

It is quite true that sales managers have grown more and more panicky as the pressure of "Profitless Prosperity" has borne more and more heavily upon them. But backbone cannot be built by legislative enactment or repeal.

It is *not* true that purchasing agents today are more corrupt or more unfair than they were before the Sherman Act was passed, or before it lost step with industrial conditions. On the contrary, as every old salesman knows, there has been an absolutely revolutionary improvement.

Twenty-five years ago, when I started selling railroad supplies, the whole railroad buying structure was rotten. The annual conventions at Saratoga and Atlantic City were notorious "pay days" for mechanical and purchasing departments. Specifications for cars and locomotives were decided by auction. The highest bidder dictated the selection of practically all "specifiable" equipment. There is no need to go into unpleasant details regarding those unfortunate days—every old-time salesman who handled railroad material knows the sordid story.

That condition has simply ceased to exist. I think much of the credit for cleaning up the mess is due to W. V. S. Thorne, who started in as director of pur-

chases for the Harriman Lines by establishing standards on various items of railroad equipment and contracting for permanent supplies.

Mr. Thorne's method, similar in many respects to the methods used by Mr. Hoover in later years, was to call in a committee from selected manufacturers of each item, have them prepare specifications and then award contracts on open bids based on the specifications which the bidders had agreed upon. At one stroke he cut off the specifying power of subordinates—and cut off millions of dollars in graft. The policies inaugurated by Mr. Thorne have been adopted—or adapted—all through the transportation industry; and railroad buying in the United States today is on a higher plane, as regards honesty, efficiency—and fairness—than it has ever been.

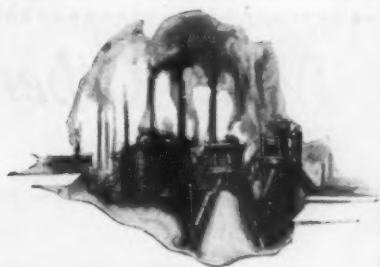
I was in the office of a railroad official when his purchasing agent brought in the bids on a contract for building snow sheds. The official to whom the bids were submitted directed attention to the fact that a certain well-known and thoroughly reliable firm had submitted a figure about \$11,000 lower than any other bid. The purchasing agent pointed out one item of heavy timbers, listed at a cost which showed that the estimator had misplaced a ten-thousand-dollar decimal point. The executive said, "Well, if he corrected that, he would still be nearly a thousand dollars lower than the next bidder. Correct it for him."

Government Control Not Needed

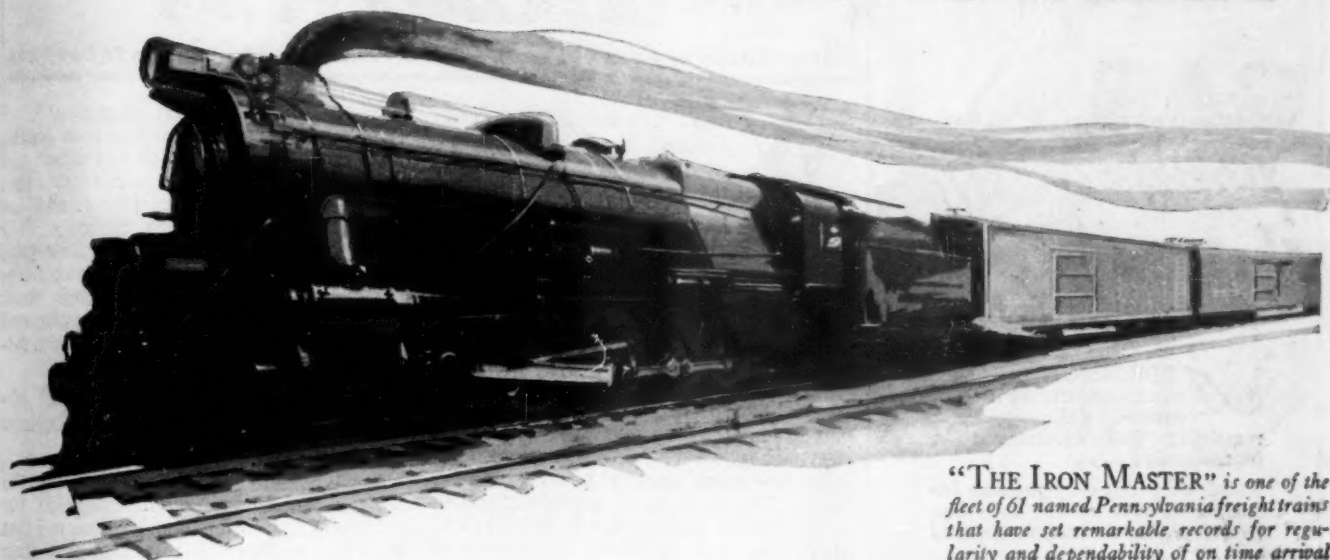
IT IS true, unquestionably, that as the New Competition develops, the Sherman Act grows more and more burdensome—unfairly burdensome in many cases—and the necessity for its adjustment to fit new business conditions grows ever more apparent. But it will be a sad day for American business—a disheartening day for the young men who value the priceless opportunities which American Individualism gives them—if we allow the need for Sherman Act revision to lead us into the Dead Sea of government control. For Individualism dies there. And with it dies the individual opportunity which has developed our business genius and made our nation great.

The plea for "More Government Regulation" is a weakling plea. In my own work, not once but time and time again, I have seen sales managers of big strong concerns wilt and yield, *unnecessarily*, when they needed nothing but plain ordinary guts for the landing of contracts on their own terms and at their original prices.

Sales management in this country is in a blue funk. That's what's the matter. Backbone for sales managers—not Government control—is what we need today.



"The IRON MASTER"



"THE IRON MASTER" is one of the fleet of 61 named Pennsylvania freight trains that have set remarkable records for regularity and dependability of on time arrival

... with cargoes from the regions
of IRON and STEEL

"Dirty British coaster with a salt-caked
smoke-stack
Butting through the Channel in the mad
March days,
With a cargo of Tyne coal,
Road-rails, pig-lead,
Firewood, iron ware"

It is thus that the poet sings of the coaster—so important to British commerce. "The Iron Master" of the Pennsylvania freight service likewise deserves the praise of a poet for the work it does. For it brings Eastward commodities manufactured of iron and steel in the great mill districts of Pittsburgh and vicinity.

Each afternoon "The Iron Master" sets out for the Atlantic Seaboard. Every run that this train makes is an important contribution to the industrial life of the East. For the products that it brings are used in the countless

necessities of seaboard towns and cities, forming the framework of huge skyscrapers, great hotels, bridges and ships.

In addition to its regular loads of iron and steel "The Iron Master" carries

general merchandise and other non-perishable traffic. And a great many products to swell its caravan are brought in on feeder trains from Wheeling, West Virginia, Mahoningtown, Pennsylvania, Sharon, Pennsylvania, Youngstown, Ohio, and Niles, Ohio. These cars are added to "The Iron Master" in the yards at Pitscairn, Pennsylvania.

When "The Iron Master" arrives at Greenville Yards, Jersey City, the freight destined for points in the New England and Long Island territories is delivered to lines of connecting carriers. And here, too, is located a large Export Yard where shipments for foreign ports are delivered or transferred to steamship companies.

Over a long period of time "The Iron Master" has proved its ability to bring in the merchandise entrusted to it regularly and dependably on time. Manned by efficient train crews—carefully watched at all points en route to insure prompt arrival "The Iron Master" is one of the outstanding on time freights in the Pennsylvania service.

SHIPPER S

Are you giving the man who routes your freight the time and opportunity to effect the economies, contribute to the new business strategy which in many industries is considered the most important development since Mass Production?

The Industrial Traffic Managers of many organizations have been instrumental in the speeding up of turnover—in the reduction of inventories—and in the opening up of new selling territories to which improved freight transportation has given them access.

Carries more passengers, hauls more freight than any other railroad in America

PENNSYLVANIA RAILROAD

Cut down your SPOILAGE

GAS points the way.

A PRECISION instrument comprising innumerable delicate parts, requiring 765 operations in manufacture

Think of producing such an instrument, and having only one in every five thousand rejected!

That record is maintained by one of America's large manufacturers—a company that leads the world in the production of four distinct lines.

This company, with a keen eye for efficiency, uses gas, the modern fuel.

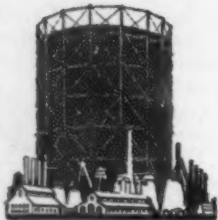
While there are naturally other factors than gas which enter into the company's low record of rejects

Still it is undeniable that the result is due in no small measure to refinement in heat treating processes.

What this internationally-known company has learned about gas, you, too, should know. Your local gas company will gladly confer with you, showing you exactly how gas can be employed advantageously in your plant, and what it will mean to you in increased efficiency, improved product and greater economy. Write or phone them today.

For free copy of book,
"Industrial Gas Heat," address

American Gas Association
420 Lexington Avenue, New York City



You can do it better with Gas

When writing please mention Nation's Business

What Other Editors Think

The New York Times exposes the Tweed Ring, 1871



WHAT are the net results of Federal Trade investigation of the public utility information bureau?

The *Electrical World* concludes that the investigation is unfair and a "perversion of the public purpose involved, and that the power industry has been clumsy and careless in its publicity work and has brought this trouble on itself."

"The actual findings of the investigations so far have been quite innocuous," says that magazine. "No evidence has been produced that would indict the power industry for either criminal or moral wrongdoing. The issue raised is entirely one of propriety and judgment. It is seen that the utilities have employed the services of press agents on a large scale and these press agents have been crude and boastful, as is often the case."

Press Agents Widely Used

IT MAY be true that other industries employ press agents. So does the Government, and the Federal Trade Commission has a press agent of its own. But, considering the semi-public character of the utilities, the point is whether or not there is propriety in this widely organized publicity operation."

The *World* makes the point that only evil is sought, in these words:

After all, it is not unnatural that the public should be critical and suspicious. Within recent memory, on as many occasions, the oil, harvester, packing, insurance, steel and railway industries, aroused resentment and each in turn was investigated. Now men hear that the power companies are reaching out into the press, the pulpit, the legislatures and the schools, and they are alarmed. The Senate directed the Federal Trade Commission to seek such evidence. And the commission has set to work to get just what the Senate is asking for.

The hearings are, therefore, an inquisition in which the prosecutor and the judge, by the implication of their questions, are endeavoring to get evidence of improper conduct into the record.

What is this evidence? What have the power companies really done? It is not what they have done so much as how they have done it that is counting against them. There was no moral wrong in the hiring of publicity men to tell the story of the power industry and exalt the efficiency of

private ownership. But, after they hired these press agents, the power men on the state committees neglected to support and supervise them, and it was inevitable that they should exaggerate and brag and blunder, striving eagerly to magnify their story, their performances and their jobs.

The advocates of government ownership, too, are highly organized and work through the press, pulpit, legislatures and schools. The information bureau men followed their lead.

This journal fears that casual observers will be convinced of guilt because of the proceedings. It continues:

Again, when it became apparent that the Senate was bent on an investigation, the leaders of the power industry declared that they had nothing to hide and that their books and their files were all open to inspection. This was quite proper and sensible. But at the same time they also set up the Joint Committee of National Utility Associations with elaborate headquarters in Washington and a sizable war chest.

And the public asked itself: If they have done no evil, why this preparation for battle? Now, there was nothing wrong in the Joint Committee nor in the Washington office. And the power companies felt an obligation to protect the investments of their more than a million stockholders, whose property the Senate was about to attack. But to casual observers there was an implication of fear and therefore guilt.

News Agencies Biased

HARLOW'S WEEKLY, of Oklahoma, calls attention to an interesting point about the investigation news dispatches. It says:

That there have been many colored newspaper accounts of the testimony produced at the hearings now going on in Washington is obvious to the careful searcher for information. Patently, in many instances, a story only half-told has left a bad impression, and unjustly so.

It must be taken into consideration that the Hearst newspaper wire services, the Universal and the I. N. S., and the Scripps-Howard's service, the United Press, both are controlled by concerns that are on record as favoring governmental operation of the two big national power projects mentioned earlier in this discussion. Thus, only the Associated Press is left as being a competent and fair judge of the news from the standpoint of the public utilities.

That weekly does not think that many



The Age of Speed ~ and Grinding

Man's conquest against time no longer astonishes the world. In this machine age, we accomplish in minutes the work that a few years ago required hours.

Speed in machine production, in transportation, in building and agriculture has come to be almost commonplace.

And to make high speed possible, fast moving parts of vehicles and machines must be made to watch-like standards of accuracy—accuracy made commercially practicable by the modern grinding machine and grinding wheel.

The part that grinding plays in our life today is most unusually portrayed in a motion picture film, "The Age of Speed." Suitable for meetings of civic clubs, engineering societies, industrial organizations. Loaned upon request.

NORTON COMPANY - - - Worcester, Massachusetts

NORTON

Grinding Wheels
Grinding Machines



Refractories-Floor
and Stair Tiles

When writing to NORTON COMPANY please mention Nation's Business

The Basis of Good Judgment

Management is often capable of better judgment than it uses.

It is not so much the lack of capacity to judge correctly as it is a lack of correct facts and figures on which to base judgment.

Business climbs from red to high black on *knowledge* of conditions, coupled with sane action.

When management establishes a competent source and better supply of *Knowledge*, the waste in its previous judgment is apparent.

Modern Accountancy develops the knowledge and organizes the sources of it. The judgment of good management applies it. *Greater* success is the result.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

NEW YORK	PITTSBURGH	CLEVELAND	CHICAGO	NEW ORLEANS
PHILADELPHIA	WHEELING	AKRON	MILWAUKEE	JACKSON
BOSTON	ERIE	CANTON	MINNEAPOLIS	DALLAS
PROVIDENCE	ATLANTA	COLUMBUS	ST. PAUL	FORT WORTH
BALTIMORE	MIAMI	YOUNGSTOWN	INDIANAPOLIS	HOUSTON
RICHMOND	TAMPA	TOLEDO	FORT WAYNE	SAN ANTONIO
WINSTON-SALEM	CINCINNATI	ST. LOUIS	DAVENPORT	WACO
WASHINGTON	DAYTON	MEMPHIS	DETROIT	DENVER
BUFFALO	LOUISVILLE	KANSAS CITY	GRAND RAPIDS	SAN FRANCISCO
ROCHESTER	HUNTINGTON	OMAHA	KALAMAZOO	LOS ANGELES

will be adversely affected by the reports of the investigation, at least in Oklahoma, for it says:

Probably very few people have been affected by the slight tendency to criticize which has followed the bringing of these concerns into the public notice in this way. Not all the public service concerns of Oklahoma are faultless. Some of them are still susceptible to sharp criticism both as to methods and as to the prices they charge the public. But in general the public service companies of Oklahoma are well regulated, dependable, and honorable public servants, with the power companies probably at the head of the list.

The *Utility Users Magazine*, Seattle, reprints the official statement of the National Electric Light Association regarding publicity and public policy. In part, it says:

The truth of the statement, not the place where it is put, is the test. Full responsibility, openly avowed, for every word and act, is desirable. All members of the Association should scrutinize everything they say and do in the light of these principles; and to the extent which public investigation or public criticism of what we have done may aid in disclosing improprieties, to welcome it. We do not wish to be judged either by intemperate criticism or by our own declarations. We are ready to be judged by our accomplishments and our acts.

The National Electric Light Association in the interest of the public and its own will continue to make available to the public the facts on the progress and development of the industry, and to review from time to time the information distributed in order that every assertion of fact, policy or principle, shall conform to the highest standards of accuracy.

The investigation will be continued during the Fall, possibly running on into 1929.

Good to Come of Chain Investigation, Is View

THE chain stores are to be investigated. The Senate has told the Federal Trade Commission to do the job. Some think that such an ordeal will throw the chains off their stride, and that it will be simple for independent merchants to regain lost ground. Others are not so sure.

The *National Provisioner* takes the position that the result will likely be that all types of distributors get a lot of new information of which they are much in need. It says:

There is much evidence to indicate that the chain stores have not always been ethical in their methods, either in buying or selling. Whether their practices have been such as to make them subject to regulatory legislation remains to be seen.

A chain whose methods are beyond reproach will have nothing to fear from such an inquiry, any more than an individual. But there are chains which may not relish a public airing of their practices. And if there are any such, business will be better for knowing of them.

With the adoption by the Federal Trade Commission of a constructive attitude

Executive Opinion—

“ANY business man who does not consistently read NATION'S BUSINESS is, I believe, missing much that would be of great help to him.”

FREDERIC H. HILL, *Vice President*
Elmira Water, Light and Railroad Company
Elmira, New York

This grainless wood is workable almost beyond belief!

Can be cut out, punched, die cut and milled. Very dense and tough. Highly resistive to moisture. Has a smooth, attractive surface on the face side, and requires no paint for protection. Also takes any finish beautifully. Send for large free sample.



FOR STORE FIXTURES

American Industry is now pretty well aware of the fact that there is on the market a genuine all-wood board that is *grainless*, that won't crack, split or splinter, and that is highly resistive to moisture.

But there are still many manufacturers and mechanics who do not fully appreciate the truly remarkable workability of Masonite Presdwood.

Containing absolutely no foreign substance of any kind, Presdwood cannot damage tools. It can be used on saw, planer, sander, shaper. It can be cut out, milled, die cut and punched. It also assures economy in cutting panels to size. In fact, it practically eliminates all waste in cutting.

Presdwood has uniform strength, too. It is highly resistive to moisture. It is very dense and tough. It has a smooth attractive surface on the face side, requires no paint for protection, and takes any finish beautifully.

Wide, wide range of uses

Although it has been on the market only two years, Masonite Presdwood is already in use in scores of industries all over the country.

Presdwood is used extensively in paneling—alike in fine Southern homes, in stores and offices of the East and the Middle West, and in summer cottages of the great North woods.

It is being used in the manufacture of kitchen cabinets, medicine chests, cupboards, tension boards, work-bench tops, tables, desks, book cases, linen chests and china closets.

Toy manufacturers are large users of Presdwood. It is serving in hospitals as bedroom screens and as

invalid trays. And it is especially efficient for table tops.

Laundries, bakeries and dairies are using Presdwood quite extensively. For example, it goes into the making of clothes hampers. And because of its strength and resistance to moisture, it is being built into bread boxes and patented dairy containers.

A number of Chicago railroads are using Presdwood as dust arresters for journal boxes; various foundries are finding it an ideal material for cooling trays for hot castings; it is also going in to the production of packing cases.

New and unexpected uses

Just recently a manufacturer of portable billiard tables became interested in Presdwood. He is especially impressed by its stout resistance to wear.

A manufacturer of electric light globes is putting Presdwood to a novel use. He bores holes into it to fit his bulbs, and thus they are held tightly while being etched.

Presdwood is also being used to line ventilators and elevator shafts—because of its excellent anti-rattle qualities.

And before this advertisement reaches your eye a number of other Presdwood uses will have been discovered—some of them entirely unexpected uses.

Write today for a large free sample of Presdwood and find out what it will do for you.



FOR PANELING



FOR SIGNS

Masonite
PRESWOOD
Made by the makers of
MASONITE STRUCTURAL INSULATION

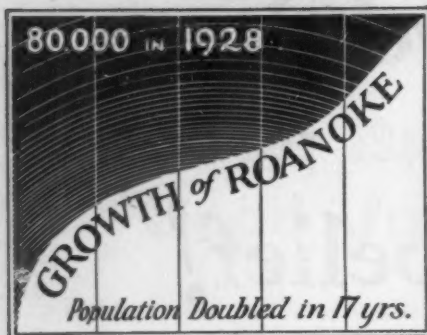
Mills: Laurel, Mississippi



FOR RADIO CABINETS

© 1928, M. F. Co.

When writing to MASONITE CORPORATION please mention Nation's Business



LOCATE Where Growth Is a Habit

NO NEED to gamble with doubtful locations for your new plants and warehouses when the successful experiences of 111 industries guide you to Roanoke.

Here, growth is indeed a *habit*! This strategically located southern city has actually doubled its population during the past 17 years. And since 1880 it has grown from a mere 669 inhabitants to a community population of 80,000.

What rare industrial advantages have caused such phenomenal growth? Why is the world's largest Rayon Mill located in Roanoke? Why are many other large manufacturing plants, some the largest of their kind in the South, located here? Why do big corporations selling to the entire nation find Roanoke such a profitable distributing center?

These industrial questions are all answered in the "ROANOKE BRIEF." Write for it today on your business letter-head. It will tell you facts about Roanoke little known to outsiders and of utmost importance to anyone considering new plant locations or branch warehouses, etc. Experts in city layout are now engaged in preparing plans for Roanoke's future industrial growth and a completed expert Industrial Survey permits us to provide most accurate and detailed industrial data. Address:

Chamber of Commerce
207, JEFFERSON STREET

ROANOKE VIRGINIA

A Mecca for Motorists



Smooth winding highways, wonderful mountain scenery, unique marvels of nature, noted historical shrines, charming wayside inns and fine hotels all combine to make motoring through the Roanoke section a never-to-be-forgotten joy. Come this summer. Write for interesting tour booklet "The Log of the Motorist through the Valley of Virginia and the Shenandoah."

CHAMBER OF COMMERCE
207, JEFFERSON STREET
ROANOKE, VIRGINIA

When writing please mention Nation's Business

toward business, rather than the old political attitude that prevailed in its efforts in the earlier years, this inquiry should bring forth facts of value to chain stores, retailers, jobbers and manufacturers.

The *International Confectioner* sees in the investigation an opportunity to make needed comparisons. It says:

The public wants to find out whether the rapid growth of the chain store is due to more economical methods of operation and better service and prices to the community. If, on the contrary, chain stores have progressed due to advantages of a semi-monopolistic sort, we want to know the real facts. It would seem that the best way to find out is a study of chain store marketing, and comparing it with the independent retailer with the view of determining its competitive effectiveness and the nature of the handicaps, if any, that jeopardize its survival in the face of chain store expansion.

Are many independent stores being operated with too small capital in these days of higher prices and increased overhead? Is there any obligation upon the community to protect such stores against the encroachments of larger concerns? Are credit facilities adequate to carry good risks among the smaller businesses or is there an unfair handicap in this respect?

Many retail houses, both large and small, enjoy a local monopoly of patronage. When the chain store succeeds in encroaching upon their special field it must be because for the time being, at any rate, prices or quality of service, or both, are superior. There is good reason to investigate, but no ground for prejudging the issue or assuming that the rise of chain stores depends upon the submergence of independent establishments that possess the qualifications essential to survival.

At the time the word of the investigation appeared, chains were busy counting their gains for the first six months. Many had increased their sales more than twenty-five per cent over the first half of 1926.

One More Protest Raised Against Price Forecasts

ASTRONG protest against governmental price prophecies is made by *The Stockman and Farmer*.

In the general direction of the Department of Agriculture that journal makes this kick:

Despite several protests and no urgent demand price forecasting not only continues but the Bureau of Agricultural Economics seems determined to convince the public that it needs this service. Defense of price forecasting is becoming a popular summer pastime. Several individuals have recently issued statements upholding and explaining their position.

The latest is M. J. B. Ezekiel, economist, who tells in detail how lamb prices are forecast. Based on events of the last 16 years they have worked out a formula which shows that an increase of 10 per cent in the supply of lambs will reduce prices 6 per cent. Thus the secret is out. All we need to know is the supply of lambs and any one can be his own forecaster.

In view of the discussion raised by sheep outlooks it is surprising to note that Mr.

Ezekiel says: "I believe if you will check over these (price outlooks on lambs for the last few years) you will find that they have been rather remarkably accurate in indicating the general trend in lamb prices for from three to nine months ahead." Upon checking them over we find three successive bearish forecasts which we would hardly say were "rather remarkably accurate."

No permanent decline has occurred in the market during that time and at present lamb prices are fully as high or higher than they were "at the beginning of a period of lower prices" three years ago. It may be said that the warnings prevented the decline in prices which was scheduled, but that is an argument which gets nowhere.

The prophets should choose some other commodity to prove their point.

But they are trying to prove the wrong point. It is not a question of accuracy of guess or judgment, but whether it is a function of a government agency to make price statements which may harm a private industry.

Many Lines Look for End To Cut-Price Policies

NOTHING interests any business more than a discussion of price. There seems to be a growing feeling that prices should more and more become fixed—not by government, but by the interested individuals who have goods to sell.

Commerce and Finance compiled a list of expressions on the evils of price cutting. Several seem worth repeating. For instance, there is the remark of Henry C. Bohack, Jr., vice-president of an Eastern grocery chain, who said:

It is our experience that too much credit has been given to the price advantage in the success of the chain store. There are other factors, such as neat stores, fresh stock, and trained managers.

The fact of the matter is that where the independent strengthens himself along these lines, he can largely overcome the price advantage of the chain store.

And the *National Grocers' Bulletin* contains this contribution to the subject:

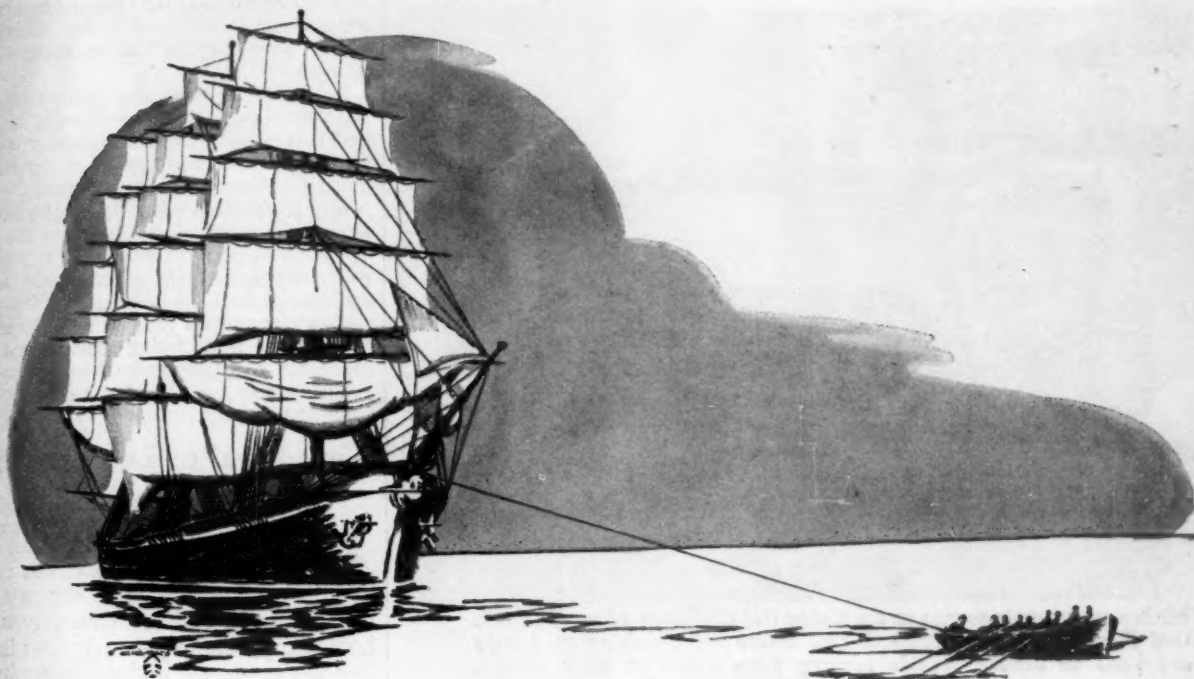
Fixed and fair prices with mark-down sales excluded is the policy of more successful retail stores than at any time since the World War.

Not only in retailing is the stabilized-price question getting attention. Cloth manufacturers deplore the tendency to cut prices, as do candy manufacturers and jobbers. Speaking for the electrical industry, the editor of *Electrical World* adds:

Price cutting is just an economic disease. It can be cured by public opinion within industry. And immediate relief can only be sought through the building of public opinion among buyers and sellers.

Commerce and Finance also quotes Lee J. Bussman, purchasing agent of the Bussman Manufacturing Co., who said recently:

Whether the real trouble and the cause for these profitless transactions is "The Danger of Selling Below Cost," or "The Danger of Buying Below Cost," or whether



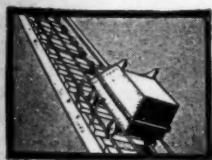
BRUTE STRENGTH ... WAS EVER SLOW

With a breeze that whipped the whitecaps' crest to foam and drove the scudding spin-drift off to lee, the sailing ship coursed down the ocean paths, a thing of eager, swift mobility. Under her lifted forefoot the waters churned and spun. Aft on the taff-rail the log marked off the leagues.

But calm and the doldrums came! The sails hung limp against the masts. Mobility was gone. Then, with their utmost strength, the straining crew could little more than move the long, clean hull across the glassy void.

The strength of men was always a paltry force. Before the slumbering giants, Steam and Electricity, were awakened, nothing of magnitude could be accomplished except by multitudes of human hands. But even then, and at its best, brute strength was ever slow—slow and expensive.

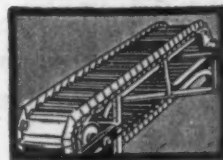
Industry cannot afford the crawling pace, the waste of profit which moving things by hand entails. Bartlett-Snow elevating, conveying and processing machines are the rightful, the economical, movers of materials and products.



SKIP HOIST

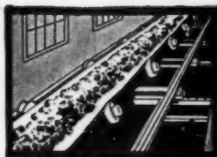
Bartlett-Snow

THE C. O. BARTLETT & SNOW CO.
6500 Harvard Ave. Cleveland, Ohio



APRON CONVEYOR

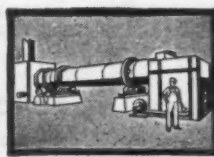
Material handling equipment is the answer to the problem of rising production costs.



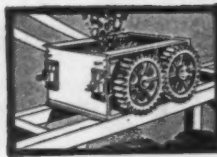
BELT CONVEYOR



BUCKET ELEVATOR



DRYERS

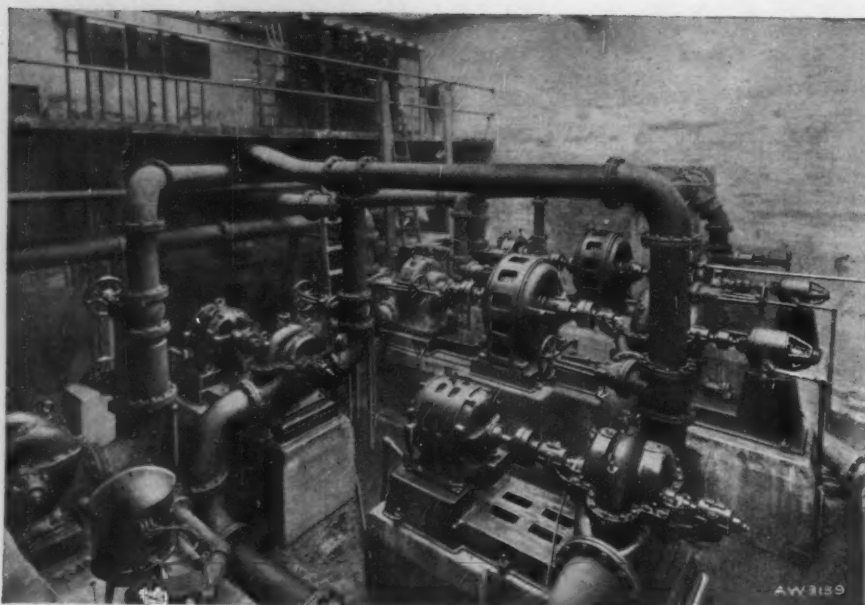


COAL CRUSHER

Our engineers have 43 years of material handling experience to bring to your assistance.

ELEVATING CONVEYING PROCESSING MACHINERY

When writing to THE C. O. BARTLETT & SNOW CO. please mention Nation's Business



Main water supply pumps at the Cedar Rapids, Iowa, plant of Penick and Ford, Ltd., New Orleans, La., where 96 Worthington pumps are used to handle liquids varying from water to thick syrups.

96 Centrifugal Pumps

handling water and corn syrups
at Penick and Ford, Ltd., Iowa Plant

96 WORTHINGTON Centrifugal Pumps are used in the Cedar Rapids, Iowa, plant of Penick and Ford, Ltd., manufacturers of corn and cane products.

The liquids handled by these pumps range from thick syrups . . . solutions containing grit and fibrous material . . . to the lighter starch "milk" solutions and water.

Other Worthington equipment in the Cedar Rapids plant of Penick and Ford, Ltd., includes a number of steam pumps, 16 FEATHER (Reg. U. S. Pat. Off.) Valve Rotative dry vacuum Pumps for evaporator service and two large motor-driven FEATHER Valve Air Compressors.

Worthington equipment gives a little better service than its users expect.

How can Worthington serve you?



WORTHINGTON PUMP AND MACHINERY CORPORATION
2 PARK AVENUE, NEW YORK DISTRICT OFFICES IN 24 CITIES

WORTHINGTON

7541-12

When writing to WORTHINGTON PUMP AND MACHINERY CORPORATION please mention Nation's Business

it is "price cutting," or "sharp bargaining," or whether it is "loose price selling" or "tight price buying" is everyone's own opinion.

A purchasing agent can make a substantial contribution to the success of his firm and to general business by taking a long-time view of his job and not by merely placing orders at the lowest price.

Any temptation which he might have to drive a sharp bargain and to force the price of goods to a point where no reasonable profit remains for the seller should be put aside because of the ill effects of that practice to our general prosperity. He should fully realize that buying right means buying from a standpoint of good quality, proper service, and fair price all viewed in their proper importance.

New Rival of Lumbermen Appears in Chain Form

ANOTHER competitor for retail lumbermen! This time it comes not in disguise as a new material, but as a new type of house-selling. Chain furniture houses are going to put up houses to sell, in order to get the business of equipping them with furniture.

The American Lumberman says:

Announcement has been made by one of the largest chain furniture store corporations that it will build and furnish complete homes on the instalment plan; the only requirements being that the buyer shall own his lot and be in a financial position to meet the instalments. This is an especially significant proposal for the reason that the furniture company is primarily interested, not in building or in the sale of building materials, but in the sale of household furnishings and equipment. The company expects, however, to sell building materials as a part of its home building and furnishing scheme.

So as far as at present contemplated, this method of merchandising homes and furnishings on the instalment plan will be put into operation in only six large cities where the company has branch stores. There are already numerous concerns selling ready-cut and complete houses, some of them on the deferred payment plan; these concerns may be expected to show some interest in the scheme of including furniture and equipment.

Much of the effort of organized business has been designed to promote intelligent merchandising, which means selling at a profit, despite competition. Many of the newer merchandising schemes, however, aim to do away with competition by introducing inducements that leave price largely out of consideration. The proposal of the furniture concern to build and furnish homes complete involves services, not only in supplying building materials and furnishings and equipment which ordinarily would be supplied by a dozen individual and independent dealers, but in addition it includes financing.

The proposal includes so many services, such varied inducements and so many sales appeals, that it is not easy to determine which of them or how many in combination will clinch the sale. It also exemplifies a trend in merchandising that is quite general and suggests that sellers of home-building materials will have to adapt their methods to meet this new kind of competition.

A Vast Market awaits these products



Men's and Women's
Clothing
Aircraft and Accessories
Farm Implements
Dairy Machinery
Steam Fitting and
Heating Apparatus
Porcelain Ware
Hosiery
Furniture
Perfumery and Cosmetics
Millinery
Wallboard
Insulated Wire
and Cable
Moulding of
Bakelite
Radio Equipment

HUNDREDS of millions of dollars are spent annually in the Kansas City market for these products . . . every one of them sold in sufficient volume to justify sizable organizations and plants right in the territory . . . yet most of them shipped in from far distant cities.

Farm owners within a night's ride of Kansas City spend 42 million dollars a year for implements. Buyers in that same area, the natural Kansas City territory, pay 17 million for steam fittings and heating apparatus; 16 million for insulated wire and cable; 86 million for furniture; 550 million for men's and women's clothing; 10 million for perfumery and cosmetics . . . and so on . . . sending far away from home for the very things that might economically be manufactured within the territory

The raw materials necessary for all of these commodities are here, or economically available. Labor of high efficiency is plentiful, and with an enviable record for scarcely any labor trouble in a quarter

of a century. Transportation by rail, by truck and by the soon-to-be-completed Missouri River channel is unsurpassed. Power is reasonable. Coal, fuel oil and industrial gas are plentiful, at low cost. Living conditions are ideal.

It is a compact market of more than 20 million people . . . a group of people which annually creates more than 3 billion dollars in new wealth from the soil!

Facts tell the story. By all means, send for "The Booklet of Kansas City Facts," a resume of the many advantages of this vast market. If more intimately interested, ask for a detailed, confidential survey concerning your own market here.

Not just a city but an empire

Kansas City advertising does not confine itself to corporate limits. Within the territory are raw materials and manufacturing advantages of a highly diversified nature . . . many within the city itself, many in the smaller cities of this rich area. Kansas City undertakes to tell the story of the entire territory to interested manufacturers, realizing that the city prospers only as its outlying territory prospers.



Chamber of Commerce of
KANSAS CITY,
Kansas City, Mo.

Industrial Committee, Room 300
Chamber of Commerce, Kansas City, Mo.

Please send me, without obligation, "The Booklet of Kansas City Facts."

Name

Address

City State

WHAT I'VE BEEN READING

By WILLIAM FEATHER

OF THE publications I read each month few have as much interest for me as E. W. Howe's *Monthly*, "devoted," as the editor says, "to indignation and information."

Howe has been writing and publishing this journal since 1911 when he retired from the Atchison (Kansas) *Globe*, of which he had been editor and proprietor for over thirty years. He is now in his seventy-fourth year. He divides his time between a farm in Atchison and an apartment in Miami. Evidently he enjoys an income from his savings because E. W. Howe's *Monthly* is not a money-making venture. For several years the subscription price was 10 cents a year, but now it is 25 cents a year, \$1 for five years. New subscriptions are not solicited; renewals are not sought. If a reader complains too strenuously about the editor's opinions his money is returned promptly, and his name is crossed from the list.

THE *Monthly* consists of four pages, daily newspaper size, five columns to the page. It contains practically no advertising, so that to fill the paper Howe is compelled to write a full column almost every day. Few editorial writers are as productive, and I know of no writer who is as lucid in the expression of his thoughts, and as unfailingly sensible in his point of view. Howe roams over the fields of literature, economics, politics, sex, and religion, uttering convictions and conclusions that are startling because they are presented so nakedly and simply.

Among writers of every group Howe is a hero because they realize that he has mastered his art, and they envy his ability to say what he chooses, to say so clearly that none can mistake his meaning. Critics recognize that he presents the point of view of the average American as ably as has ever been done. His admirers range from H. L. Mencken to John D. Rockefeller, and from Ray Long to Cyrus H. K. Curtis. Howe's own hero is the American business man because he considers him to be the most downright useful citizen we have. He likes the lit-

erary men because they amuse him with their cleverness, but he classifies them as intellectual clowns.

The business man who reads Howe for the first time will regret that he did not hear of him sooner because he will find in the pages of the *Monthly* both delight and solace.

Here is a sample from a recent issue:

All of us frequently have occasion to recall how wonderful the world is; progress has undeniably been enormous. Men of widest information and greatest intelligence say that the civilization of the United States is far beyond that which may be fairly credited to any other country or age. Our best men have not only advanced over all competitors in finance and commerce, but in providing material comforts for all. The most marvelous thing in the United States, when viewed by foreign critics, is improvement in the condition of the poor. The wages we pay the working man are marveled at abroad as unexampled, and all rights justly due him are cheerfully accorded both by law and custom. Compared with any other country or age, America has provided the poor man's paradise.

Yet Socialists are still throwing lighted bombs and inflammatory speeches as though nothing has been done for them.

Our best men have done much to glorify their country. Should not our worst men do something?

Howe is the author of a notable group

of short sketches; "Ventures in Common Sense," with introduction by H. L. Mencken, Alfred Knopf, New York, a collection of paragraphs from early issues of the *Monthly*.

The old man is now working on an Autobiography which he says will appear in the *Saturday Evening Post*. If it is half as good as his own ideal of what an autobiography should be it will take a place among the foremost books of all time.

Howe is also the author of any quantity of Little Blue Books, published by Haldeman-Julius, Girard, Kansas, at five cents each. Among these titles are "Dying Like a Gentleman," "Notes for My Biographer," "Preaching From the Audience," "Sinner Sermons," and "Success Easier Than Failure," the last being the most stimulating and inspiring short book that I have read. It proves exactly what the title avers.

IN 1755 Meyer Rothschild, founder of the House of Rothschild, was twelve years old. His mother and father had died leaving him a small inheritance. He lived in the ghetto in Frankfort-on-the-Main.

Meyer was married when he was twenty-seven, and before he was fifty he was the father of five boys and five girls.

The sons established the richest and most powerful private banking house that has ever existed. The daughters and their husbands were excluded from the firm by the terms of the father's bequest.

Old Meyer Rothschild possessed an uncanny financial sense. Further, he understood human nature, was blessed with energy, he kept his promises.

Although the operations of the father had been on a big scale, the sons eventually made him look like a petty money changer. They dominated the financial operations of every European state throughout the turmoil of the late years of the eighteenth century and the first half of the nineteenth century.

The first exhaustive study of the Rothschild family was recently made by

***The Rise of the House of Rothschild**, by Count Egon Caesar Corti, translated from the German by Brian and Beatrix Lunn. Cosmopolitan Book Corporation, New York. \$5.



William Feather is a business man of Cleveland, O. He reads widely and writes interestingly of what he reads

of books, most of them written several years ago, but recently re-published in new editions. Among these are "The Story of a Country Town," Dodd, Mead & Co., New York, \$3.50, one of the best American novels ever written; "Daily Notes of a Trip Around the World," Minton, Blach & Co., New York, \$3.50, a rare treat among travel books; "The Anthology of Another Town," a group of

¹E. W. Howe's *Monthly*, edited by E. W. Howe, and published at Atchison, Kansas. 4 pages. Twenty-five cents a year, \$1 for five years.

"Whoever
threw a dog
paid a denarius
to the bank
for every die"

SO WROTE Augustus, emperor of Rome, two thousand years ago, concerning a game he played with his friends. "And," he added, "whoever threw a Venus (sixes) won everything." Undoubtedly, he invoked the goddess Fortuna before casting the fateful dice. Today, he would call her "Lady Luck," but he would find the spirit of the game unchanged. If Dame Fortune is propitious, you win. If she is not, you lose.

Today, many a man undertakes the job of selling in the spirit of this oldest of games. Armed with facts about his product—and little else—he goes to an interview with the mental reservation that if his luck holds he will get an order. If it does not, he loses out.

A comfortable philosophy as applied to selling, but not in accord with the findings of this modern age.

Today, it is believed that the results of a sales-interview can be pre-determined. Today, it is known that the dominant factor in almost any sale is the goodwill of the prospect toward the product, its salesman, and the house he represents.

Goodwill is created by Remembrance Advertising. And not only does Remembrance Advertising bring that friendly and favorable view-point into being, it keeps it alive. Remembrance Advertising

can be made to work with your salesmen, for them, and *after* them. This "after work" is what we call "The salesman's time insurance plan." Let us tell you about it. It is a method of protection used by some of the greatest corporations in the world. Send for book on Remembrance Advertising, and a specific plan for your business. No obligation incurred by inquiry.

BROWN & BIGELOW, St. Paul, Minn.

Please send complimentary copy of book on Remembrance Advertising, and outline salesmen's time insurance plan.

Name

Nature of business

Address

BROWN & BIGELOW

Remembrance Advertising

ST. PAUL - CHICAGO - NEW YORK - SAN FRANCISCO
SAULT STE. MARIE - HAVANA - MEXICO CITY - HONOLULU

When writing to BROWN & BIGELOW please mention Nation's Business

If they illuminated plants as they once had to heat them



Showing the way the Modine Unit Heater circulates heated air down to the working zone and keeps it there. Below, course of heated air circulation with cast iron radiation or pipe coils.

HOW ridiculous the picture looks—all the light at the roof—working area a twilight zone.

But, notice the heating coils. The heat waves are roof-ward bound.

It is just as unreasonable to waste your light at the roof as it is to waste heat with old-fashioned equipment.

For you now can direct heat almost as effectively as light is directed. The Modine Unit Heater does this. Suspends from the steam line. Delivers heat down to working level and keeps it there. Spreads heat over a wide floor area. Produces a new degree of comfort for factory workers — warm floors, uniform temperature. Control of heat flow is instantaneous. Each Modine operates independently.

If you're installing a new heating system, if you're repairing or supplementing your old one, get complete facts now about the Modine Unit Heater. A Modine Unit Heater installation costs less than cast iron radiation. And it insures better and more economical heating for your plant.

MODINE MANUFACTURING COMPANY

1710 Racine Street (Heating Division) Racine, Wisconsin
Branch offices in all large cities

London Office:

S. G. LEACH & CO. Ltd., 26-30 Artillery Lane



Modine

Unit HEATER

FOR STEAM, VAPOR, VACUUM, HOT WATER HEATING SYSTEMS

Modine Unit Heater No. 701 — weighs only 125 lbs., and has the heating capacity of nearly 2 tons of cast iron radiation.

When writing to MODINE MANUFACTURING Co. please mention Nation's Business

Count Egon Caesar Corti, author of "The Rise of the House of Rothschild." Count Corti's research took him to the files of every European government. His findings are reported in a readable volume of 432 pages.

First, the Rothschilds understood the value of news. Their most important activity was obtaining and communicating information to each other. One brother was in London, one in Paris, one in Vienna, one in Naples, and one in Frankfort, or at large.

They established their own carrier system for the transfer of money, papers, and letters. When Napoleon fell at Waterloo, Nathan Rothschild was the first to communicate the news to the English government, after, so it was said, he had placed large orders to buy English securities. The Rothschild messengers and navigators were awarded prizes for special performance—their ships sailed in any weather and their couriers penetrated every battlefield. The Rothschild forces got money to Wellington's troops after the English government itself had failed.

BY HAVING its representatives stationed in different countries the Rothschilds were able to act as agents for the transfer of large sums of money; competitors had to put gold in wagons and haul it, whereas the Rothschilds merely signed a slip of paper which was honored by any branch. Since it often cost thirty per cent in those days to transfer funds, and since the Rothschilds handled millions their profits were huge.

In times of war national credit is always impaired. The Rothschilds would lend to a warring European nation, at a discount of 10 to 18 per cent, and dispose of the bonds at close to par in England or other non-warring countries. Due to its ability to distribute bonds at good prices, the House of Rothschild was preferred among other bankers.

Although handicapped by religion, the Rothschilds were determined to make themselves acceptable socially because at social functions they met important people and acquired items of news that they could turn to account in business. They gave big dinners, and nobles and persons in high office attended.

Although advertising in the modern sense was unknown at that time, the Rothschilds perceived the advantage of favorable notice in print, and they paid literary men to write monographs about the family.

The trickery and bribery that was indulged in during this period in Europe almost passes belief. The Rothschilds had their fingers in every pie, and made substantial personal loans, without security, to high officials who were useful to them. That was the custom then, and it has not been entirely altered even in these days.

But it wasn't all luck and indifference to public welfare.

Goethe, also a native of Frankfort, one

day was talking to Eckermann about the period required for cultural or any other great achievements and said: "Yes, my dear fellows, it all amounts to this; in order to do something you must be something. We think Dante great, but he had a civilization of centuries behind him; the House of Rothschild is rich, but it has required more than one generation to attain such wealth. Such things all lie deeper than one thinks."

Another commentator on the Rothschilds pointed out that although there are circumstances in life when luck may be a determining fact, lasting success and constant failure are always, and to a much greater degree than is generally supposed, attributable to the personal deserts or the personal failings and shortcomings of those who are blessed by the one or damned by the other.

The Rothschild family was naturally great, and its members would have succeeded under any conditions.

ANDRE SIEGFRIED, a Frenchman, is the author of a notable book entitled "America Comes of Age." In many respects it is one of the best interpretations of the United States, politically, socially, and economically, that has been made. It should become a practical handbook for politicians, advertising men, propagandists and others who deal with the masses. Siegfried appears to understand us better than we understand ourselves.

This man has applied an outside point of view to such fundamental aspects of American civilization as New England Puritanism, Catholicism, prohibition, the color problem, the Ku Klux Klan, immigration, the protective tariff, foreign loans, world trade, standardization, and so forth. Rarely have these problems been discussed so sanely and dispassionately.

I enjoyed all of the book but I could not agree with the author's conclusion. Like so many other visitors he was overwhelmed by our great factories in which workmen perform standardized, repetitive operations.

The Frenchman is led to make this statement:

If the aim of society is to produce the greatest amount of comfort and luxury for the greatest number of people, then the United States of America is in a fair way to succeed. And yet a house, a bath, and a car for every workman—so much luxury within the reach of all—can only be obtained at a tragic price, no less than the transformation of millions of workmen into automatons. 'Fordism,' which is the essence of American industry, results in the standardization of the workman himself. Artisanism, now out of date, has no place in the New World, but with it have disappeared certain conceptions of mankind which we in Europe consider the very basis of civilization. To express his own personality through his creative efforts is the

"America Comes of Age, by Andre Siegfried, Harcourt, Brace and Company, New York. 358 pages, \$3.



WINGED MESSENGERS

...speed news
in all business



"EXTRA!! EXTRA!! ... PIRATES 4 CUBS 3" ... and you are hardly out of the ball park when the paper is on the street.

General business can learn much from the newspaper about coordination of departmental activities. Here the ordinary business cycle of order, production and sale is crowded into a few short hours.

News leads and scraps of news come by wire and are immediately delivered to the slot man at the copy desk. As copy is arranged sheet by sheet, it is put in a Lamson Carrier and shot through a Pneumatic Tube to the composing room. Often the opening paragraphs are in type before the final ones are written.

Similarly, instructions and proofs of news, editorial and advertising speed back and forth between composing room, proof room and advertising department. There is no lost time waiting for accumulation or human pick up. The paper must reach the street while news is still news.

And so all business can be speeded. Lamson Pneumatic Tubes compel the continuous flow of matters from the attention of one department to the attention of another. By speeding news they speed business.

Our booklet will tell you what Winged Messengers will do for your business.

THE LAMSON COMPANY
3000 James St., Syracuse, N. Y.

LAMSON PNEUMATIC TUBES

coordinate the departmental interchange
of papers, files and packets

When writing to THE LAMSON COMPANY please mention Nation's Business

LAMSON Serves
Public Utilities
Manufacturers
Mail Order Houses
Railroad Terminals
Retail stores
Insurance Companies
Steel Mills
Banks
General Offices
Automobile Agencies
Newspapers and
Publishers
Wholesalers
Investment Brokers
Hospitals
Hotels
• •
And Will Serve You



Save 60% to 80%!

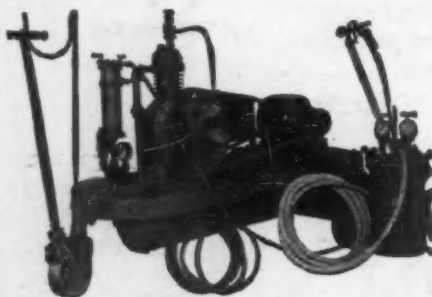


Here's What Spray-Painting Will do For You—

- Lower painting costs enable you to keep your business property and equipment in A-1 condition, at a fraction of hand painting costs!
- Quickly and inexpensively brightens up dark walls. Increases operating efficiency, sanitation—improves appearance!
- Does a better job than hand work. Penetrates porous surfaces brushes cannot reach. Paints any difficult surface, no matter how rough. Applied mechanically even!
- Applies any light or heavy paint, varnish, lacquer, graphite or aluminum paints.
- You can own your own outfit. Easy to operate. Spray paint your equipment, furniture, trucks—everything!
- A decade of experience, enables Binks to recommend and supply the outfit best suited to your needs. Complete information will be mailed without obligation to you.

Binks Spray Equipment Co.
Dept. J, 3128 Carroll Ave., Chicago

Representatives in Principal Cities



BINKS

**Industrial Maintenance
Painting Machine**

Order an Outfit on Trial

When writing please mention Nation's Business

ambition of every Frenchman, but it is incompatible with mass production.

The fear that this is to be a nation of automatons is raised by most of our critics. Just how far along this line have we gone, and how serious is the danger, if any, that confronts us?

It has been said that nearly half the business in the United States is done in factories employing less than 300 men, with offices of less than 20 people.

IN THE United States we have the tallest buildings in the world, the largest hotels, and the biggest apartment houses, but we also have more detached, single houses than any other country. We have department stores that sprawl over several city blocks, but we still have a staggering number of independently owned (or managed) retail shops. We have the Ford industries in Detroit, but we have tens of thousands of automobile service stations, individually owned.

Among the groups of workers who are not automatons I should include farmers, truck drivers, physicians, attorneys, railroad employes, miners, building artisans, repair men, retail clerks, teachers, ministers, writers, janitors, housemaids, hotel employes, barbers, policemen. The list could be vastly increased. All these groups are free from direct supervision. Their pace is not set by a machine. They are as free as workers ever were.

Whence comes the notion that so-called "Fordism" is the essence of American industry? Large production per unit of labor is the essence of our industry. Our system demands efficiency, standardization, and machine-production. But a peculiar and compensating feature of our industry is that the moment a man approximates an automaton we replace him with a machine. He then becomes the supervisor of the machine. Is there any virtue in making nails by hand? Was not man created for something better?

I am weary of hearing that ours "is a materialistic society, organized to produce things rather than people, with output set up as a god."

It seems to me that the famous man who screws Nut No. 437 on a Ford car—if there be such a person—is considerably better off than the men and women who sit all day long in the sun cracking stones with a hammer, as I have seen hundreds do in France and Italy. Is there anything ennobling about hoisting a basket of cracked stone to your back and trudging a quarter-mile with it? That is common practice in Europe. We are trying to rid human beings of such brutal drudgery in the United States. As we await the further perfection of our machines some of our workmen are condemned to tasks that are monotonous, but we are slowly replacing pick and shovel men with steam shovels, and wielders of sledges are giving way to stone crushers and pile drivers, driven by steam or gasoline.

In the printing business, with which I am most familiar, machinery has been so perfected that in the employment of men

we must seek creative intelligence. That is the one quality we cannot get from the machines.

It is too bad the workers themselves are not more articulate on this subject. If they were I suspect that the man who formerly worked in the bottom of a ship filling buckets with coal and who now operates an automatic lifter would say, "Forget it! Don't worry about my soul! I never knew I had a soul until I found a job that let me straighten my back."

ACOMMON saying among successful business men is that if they had known what they had to go through to establish themselves they would not have had the courage to make a start.

I judge that Alice Foote MacDougall feels that way about her adventure in business. She was forty when she made the break, and had three children and less than a week's living expenses. For many years she had earned her living in a lady-like way by sewing, singing, typing, canning fruit. She reasoned that her future was hopeless unless she made a radical change; in short, she had much to gain and nothing to lose by becoming a dealer in coffee.

Mrs. MacDougall is now widely known as proprietor of a group of restaurants where food may be eaten amid old-world backgrounds. She serves scenery, atmosphere and romance with coffee, sandwiches, salads, and waffles.

But the restaurants are an offshoot of the coffee business which was started in 1907. Not until 1919 was the Little Coffee Shop opened in the Grand Central Station. It was here that Mrs. MacDougall discovered there was more money in hot coffee than in roasted coffee. The first of the large restaurants was opened three years later.

Being a woman in competition with men, she expected rough treatment from the male sex. Strangely, she received help and consideration from men, whereas her reception by women (business women) was almost antagonistic.

She calls upon the members of the feminist movement to explain:

I cannot. All I know is that while men sprang ever ready, ever chivalrous, to put business in my way, sometimes even competitors, women almost invariably turned me down. . . . If their hesitancy could be attributed to the quality of my coffee I would have been the first to acknowledge it. But by the time I approached places like these (hospitals, women's colleges, etc.) I was more or less of a specialist. I knew my market, both wholesale and retail. I knew the needs of these people, as my success elsewhere proved. The difficulty—an honest conversation proved that—lay in the quality of the feminine mind. The subtle flattery of an adroit salesman pleased them and their order in consequence went to him.

Mrs. MacDougall has worked hard for her success. Her book is an honest, first-class story of a business career.

"The Autobiography of a Business Woman," by Alice Foote MacDougall. Little, Brown and Company, Boston. \$2.50.

What the World of Finance Talks Of

By MERRYLE STANLEY RUKEYSER

AS the election approaches, men along money row talk increasingly about politics, yet the political situation is scarcely a major business factor this year.

The Democratic Party has fought hard to prevent the Republican Party from taking exclusive possession of the prosperity issue. John J. Raskob was borrowed from the General Motors Corporation as a symbol that a Democratic victory would not mean hard times. Moreover, in accepting the nomination, Gov. Alfred E. Smith sought to reassure business. The Democratic platform itself is a bid for business support.

Corporation baiting no longer is the way to political preferment. With millions of small investors now part owners of big business corporations, they are in no mood to respond to the obsolete political doctrine that mere bigness is a social menace.

Apparently only the diehard editor of the *Wall Street Journal* still subscribes to the ancient dogma that Democratic success at the polls would foreshadow a depression. However, despite the division of the business vote, many men of business think that a change of party might be slightly disturbing to confidence.

As a matter of fact, the two major parties have divided on no major economic issue. The Democratic Party, it is true, has been a little more specific in promising special remedies for the farm problem.

An outstanding economic issue, on which the platforms are silent, is the question of a thoroughgoing revision of the anti-trust laws in the light of changed post-war conditions. Under the Coolidge Administrations, there has been an attempt to bridge the gap of legal obsolescence by a new spirit of enforcement. The Attorney General's office has sought to cooperate with business executives in discussing in advance the legality of proposed new alignments, but, in spite of the distinct change in the manner of enforcement, the laws no longer reflect public opinion in respect to large aggregations of capital.

The older faith in the supreme utility of unrestricted competition is waning. Blind competition means waste. Rational conduct of industry in the social interest depends on intelligent cooperation and interchange of information. Some business leaders even think that the interdicted subjects of price and future production

schedules could profitably be freely discussed, provided a representative of the government were present.

Numerous leaders of the bar, as well as men of business, favor a restatement of the legal principles affecting business competition. Owen D. Young has stated flatfootedly that American communications companies cannot retain their worldwide preeminence unless enabled by special legislation to effect a merger between the cable and radio companies.

The only alternative is to legalize these combinations, except those involving actually or potentially competing patents, and to subject them to governmental supervision and regulation in the public protection."

Mr. Untermyer urges extending the powers of the Federal Trade Commission. In regard to this, he said:

"Give the Commission authority to sanction such organizations, business methods, including agreements as to

prices and production as are reasonable and do not conflict with the public interest but with power to prevent extortionate profits, stifling of outside competition or acquisition of further competitors without the approval of the Commission."

INCIDENTALLY, Mr. Untermyer has traditionally been the arch foe of existing methods of conducting the New York Stock Exchange and it is significant that in a recent speech before the Constitutional Law Class of the College of the City of New York, Mr. Untermyer remarked:

"The New York Stock Exchange, one of the most important instrumentalities of big business and finance, is gradually correcting the evils that characterized the exercise of its great powers and is evidencing a disposition to so reform its methods that it may not become necessary to subject it to public regulation, except to the extent of giving right of judicial review of certain of its acts."

This sounds like extending the olive branch. It is part of the record to state that several of the reforms which Mr. Untermyer has long advocated have been adopted by the Stock Exchange.

O H. CHENEY, sensing the changing nature of competition, has described the new competition as a race between makers of different commodities for the consumer's dollars. In the new competition, competitors within an industry have banded together to impress the public with the desirability of their product, as compared with other outlets for the consumers' buying power. David Sarnoff, thirty-seven year old general manager of the Radio Corporation of America, carries the analysis a step further, and invents the phrase "supplative competition." Mr. Sarnoff, with his eye on the scientific age in business, emphasizes the competition between the old and the new. Incidentally, Mr. Sarnoff does not sub-



GROCERIES?

DO GREAT bankers carry bundles sometimes? Apparently they do, for here is Thomas W. Lamont, Morgan partner and chairman of the American Section of the International Chamber looking as if he had the family groceries

EVEN the nonconformist, Samuel Untermyer thinks that the anti-trust laws are out of date. Mr. Untermyer recently observed:

"The anti-trust laws have been demonstrated to be futile, unequal and unjust in their operation, and unenforceable. These colossal aggregations of capital have reached the point at which the existing laws can no longer be impartially applied to those who are offending against them without such an upheaval in business and finance as would create a cataclysm and be disastrous beyond concep-

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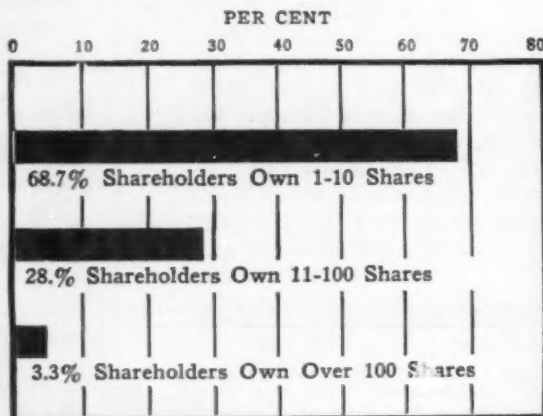
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scribe to the thesis set forth in the August issue of this magazine by Mr. Cheney to the effect that the great need is for executives to forget grandiose ideas and to mind their own business. Mr. Sarnoff says:

"The needs of the times will bring forth, perhaps, a new type of executive, trained in a manner not always associated with the requirements of business management. He will have to reckon with the constant changes in industry that scientific research is bringing. He will have to be able to approximate the value of technical development, to understand the significance of scientific research.

"He will be equipped with an even and exact knowledge of the relationship between his business and similar businesses in the same field; between his industry and other industries which it may affect or be affected by; between business and government; and even between business and politics, for no great industrial enterprise is safe from political attack. 'Mind your own business' is ceasing to be an all-embracing business axiom. It may be the other fellow's business that will determine the success or failure of your own."

MR. SARNOFF'S conception of present day competition is that "the greater danger, it would appear, is industrial self-complacency. The greater menace to the life of any industry is not in the competition for a share of the public dollar, but in the supplantive competition which modern science may breed in the laboratory. The ghost of industrial obsolescence stalks after any industry, so thoroughly stabilized that it can only grow around the waist.

"The competition which may make as well as mar, depending upon the breadth of view in modern industry, is the competition between the old and the new, between those who have made better rat-traps which caused the world to mark a path to their door, and those who have invented a product, developed a method, or found a means, that would make rat-traps unnecessary.

"There is dawning, it would seem, a new attitude on the part of industry towards supplantive competition, whose first faint beginnings rise out of the laboratory. That leading elements in the automotive industry should interest themselves in aircraft developments and production is a splendid sign of the times. It betokens the day of a much closer relationship and sympathy between industrial development and advanced scientific research.

"The new day of swiftly moving scientific progress and rapid technical achievement calls for industrial flexibility rather than rigid stabilization—flexibility that makes for open-minded executives in control of great industrial enterprises, for greater creativeness in production and sales plans based upon the changing conditions of industry, for the constant improvement of commodity, equipment or

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Once having chosen the part of the country, the *type* of community remains to be decided: shall it be a large city or small town? In making this decision the manufacturer who is seeking reduction of costs and improvement of production will choose a small town.

In those respects in which the big city once had an advantage, the small town has now been properly equipped. Its power supply is both ample and economical as a result of the blanketing of the countryside by widespread electric transmission systems. Hard roads and fast freight have made it the equal of the big city in transportation facilities.

In other respects, the small town offers advantages not possessed by the large met-

ropolitan centers. Land is both cheap and plentiful in the small town, affording ample room for industrial operations and for growth. Living conditions are vastly superior. Workers own their homes and have a stake in the community. They are free from the fatiguing effects of congestion and long trips to and from work—an advantage which is readily translated into more interested and more effective production. A moderate wage scale buys as much for the worker as higher wages can buy in the big city.

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Again, some bonds are tax-exempt. As a result, their yield is lower than for taxable bonds. The investor who pays a relatively small income tax has no definite use for such bonds, though he may buy some to add safety and diversification to his investment fund.

The greater the security behind a bond, usually the lower the yield. Every investor needs to be conservative; but what is conservative for one might be less so for another. For instance, a widow, dependent entirely upon her investment income for support, could not afford to take even the reasonable risk quite proper for an active business man. If the latter, therefore, insists on the degree of security required by the former, he is paying in reduced yield.

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THOMAS R. PRESTON, Chattanooga, Tenn. banker and president of the American Bankers' Association, told me that he regards the open participation of outstanding business men and financiers in politics as ushering in a new era in the relations between business men and Government.

Until a decade ago or so, it was inexpedient for a party or politician to deal openly with a capitalist. Business leaders were unwanted in public life.

The late Woodrow Wilson was a pioneer in helping to slay the prejudice. When the Federal Reserve system was organized, he appointed Paul M. Warburg, who was at that time a partner in the second largest investment banking house in the United States, to the Federal Reserve Board. Later, after this country entered the war, former President Wilson further honored business leaders by inviting them to Washington as dollar a year men. Bernard M. Baruch, Eugene Meyer, Jr., and Daniel Willard were among the conspicuous men in this group.

Then the late Warren Harding proceeded further in defiance of tradition by inviting into his Cabinet Andrew W. Mellon, the wealthiest man in the state of Pennsylvania.

In the present campaign, General W. W. Atterbury, president of the Pennsylvania Railroad, is a Republican National Committeeman from Pennsylvania. John J. Raskob, who despite his resignation as chief financial officer of General Motors, is at this writing still a vice-president of E. I. du Pont de Nemours & Company and also of General Motors, is chairman of the Democratic National Committee. J. R. Nutt, president of the Union Trust Company, Cleveland, is treasurer of the Republican National Committee.

IN COMMENTING on the open participation of business men in politics Mr. Preston told me:

"In the past big business operated in politics secretly behind the curtain, pulling the strings with unseen hands. Now big business comes out into the open and expresses its political convictions. The present situation is in marked contrast to Mark Hanna's times, when caricaturists depicted the public antagonism toward the rich man in politics.

"The willingness of the public to accept outstanding industrial and financial figures in politics is symbolic of a changed popular attitude. Since the war the public has invested in securities on a scale never hitherto attained in any country.

"The man with \$1,000 found it possible to go into partnership with John J. Raskob, the du Ponts, the Rockefellers, and other financial leaders. They have over a period of years associated themselves in a small financial way with these outstanding men, and the experience has been satisfactory. Accordingly, the public has new faith and confidence in these men."

Though business men are taking a more active part in politics, corporations as such are seeking to maintain a non-partisan attitude. This was made clear in the correspondence between Mr. Ras-kob and Alfred P. Sloan, Jr., president of the General Motors Corporation, when the former resigned as chairman of the finance committee because of his active part in Governor Smith's campaign.

WHO controls the policy of corporations? Nearly three months ago, John D. Rockefeller, Jr., said in effect to Colonel Robert W. Stewart, chairman of Standard Oil of Indiana, "You're fired." Yet at this writing the Colonel still sits at his desk, working as usual. The younger Rockefeller, it appears, controls only 15 per cent of the voting stock, and to force his stand must either win the backing of smaller stockholders or go out into the open market and thus increase his voting power.

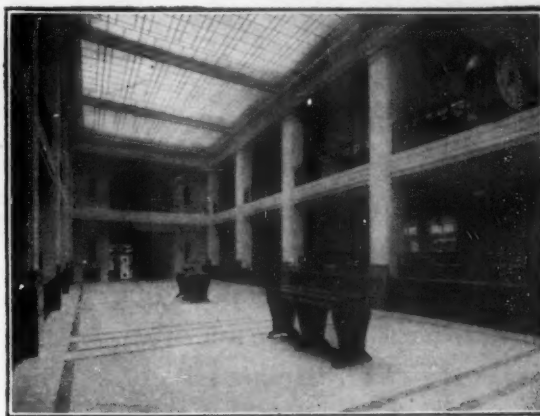
THE attitude toward the sale of stock to employees is changing. The pioneers, like the Standard Oil Company (New Jersey) which made it feasible for employees to acquire stock of the company on the partial payment plan by contributing only two-thirds of the purchase price, put strings on the deal to prevent employees from selling out and taking quick profits. For example, the Standard Oil Company announced at the conclusion of one five year campaign that employees who disposed of their stock without good reason would not be permitted to participate in the next operation.

The newer notion is to sell stock to employees on favorable terms, and attach no strings. The Pennsylvania Railroad is doing this. In offering 350,000 shares of new stock to employees 15 points below the open market, General W. W. Atterbury, president, takes pride in leaving the ultimate disposition of such stock to the purchasers. The Great Atlantic & Pacific Tea Company habitually sells new treasury stock to employees far below the market, and makes no restraints on the new owners.

After six years of rising security prices, employee-ownership campaigns are likely to be jeopardized if companies offer their shares to employees at inflated market prices, registered by speculative operators who are optimistic about the future. Companies should instead sell new treasury stock to employees at prices which reflect actual tangible assets, rather than hopes concerning the future. If the corporation intends to promote better relationships through employee-ownership campaigns, it should give the employee an opportunity to buy stock on more favorable terms than the outsider. Some of the more enlightened companies are already pursuing this policy.

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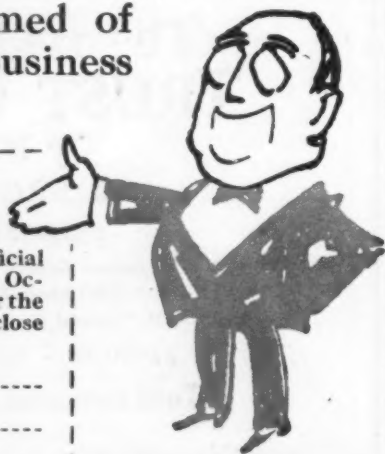
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CITY AND STATE



consider individual wealth in terms of income, rather than of principal. To an increasing extent, men are leaving insurance bequests in the form of income, rather than in lump sums. The trust companies in 1927 were called upon to administer eight times as many insurance estates as in 1923.

Incidentally, there has been a progressively expanding boom in the demand for the fiduciary services of banks and trust companies. Men of property, through tie-ups with trust companies, have to an increasing extent sought to leave management with their property. When trust agreements restrict heirs, it becomes more difficult to separate a fool from his money.

IN CONNECTION with the widespread discussion of brokers' loans, spokesmen for organized speculation concede that the demand of business for credit should get consideration before the stock market is provided for. In discussing this subject with me, E. H. H. Simmons, president of the New York Stock Exchange, who has done so much to conduct the bourse in the spirit of open covenants openly arrived at, said:

"The securities market on the New York Stock Exchange, together with the loans extended to brokers on its securities, constitute in fact a surplus market for capital. When capital becomes scarce, additional funds for commerce and industry can always be obtained by a reduction of this surplus capital market. This was clearly seen in 1919-21, when brokers' loans experienced a sharp deflation at a time when general banking loans, particularly in the agricultural districts, were steadily rising in amounts. On the other hand, when capital is created in excess of the needs of direct borrowers at the banks, these surplus funds very naturally flow into the surplus market, with the result that Stock Exchange prices rise and brokers loans tend to expand.

"This situation has been experienced recently. Thus the capital market for surplus funds centering in the Stock Exchange serves to equalize the supply and demand for capital like the governor of an engine. Sometimes stability in capital conditions elsewhere can be obtained only by instability and continual change in the capital market."

IN 1928, the Federal Reserve authorities have consistently wielded their influence in the direction of making credit dearer. The new policy was a reversal of the attempt in the summer of 1927 to make funds artificially easy, especially during the crop-moving period.

In spite of the loss of half a billion dollars in gold since last September, the tightening of the domestic market which has taken place would not have been so striking but for Federal Reserve policy. If it desired to exercise its influence in the direction of keeping interest rates relatively low, the Federal Reserve could have offset the practical effect of the gold

exports by buying an equivalent amount of Government securities. By standing aside, the Federal Reserve allowed the outflow of gold to have its normal tightening effect.

Secondly, the Federal Reserve deliberately accelerated the tightening tendencies not only by failing to buy but by actually selling substantial amounts of United States Government securities. The sale of such securities in the open market by the Federal Reserve has virtually the same effect on the money market as the export of an equivalent amount of gold.

Thirdly, the Federal Reserve since the first of the year authorized three increases in rediscount rates of regional banks.

Fourthly, particularly in the June Bulletin, the Federal Reserve Board hinted that member banks could improve their position by reducing loans or selling securities.

THE restrictive credit policy of the Federal Reserve evidently resulted from a belief that the rate of flow of additional credit into speculative channels was unhealthy. Corrective measures, which have been partially effective, have induced the New York banks, which are most sensitive to banking changes, substantially to reduce brokers' loans for their own account, and have checked the rate of expansion in loans for out of town correspondents. However, loans from non-banking sources, corporations, wealthy individuals, and foreign interests—have increased with such rapidity as to offset to a large extent the effect of a contraction of brokers' loans from banking sources.

The loans made for the account of others are outlaw loans—loans arranged outside the protection of the banking laws. Such lending is irresponsible, and unsupervised. It tends to keep the banking situation out of the control of the duly constituted banking authorities. Such loans recently constituted 40 per cent of the total, and at this writing the New York Clearing House is considering methods of bringing such lending under control.

THOUGH the attitude of the Federal Reserve authorities toward gold exports and increases in the demand for credit for speculative purposes was a primary factor in causing tightening of interest rates, the outside events, rather than the viewpoint of the Federal Reserve system, were perhaps the motivating factors. George E. Roberts, vice-president of the National City Bank, in the last monthly letter, says:

"It is clear that the stringency in the money market has not been due to the policy of the Reserve banks. . . . This stringency has resulted from an increasing demand for credit outside of commercial uses, chiefly in evidence in the increase in brokers' loans.

"There is reason to believe that the period of gold imports on a large scale is ended."



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BALTIMORE leads every port on the Atlantic Coast, New York alone excepted, in foreign commerce. Down the Chesapeake ships sail to one hundred foreign ports throughout the world, carrying iron and steel, coal, grain, copper—extending the market for American products.

Closest ocean port to the country's great steel centers and to Middle Western manufacturing districts, Baltimore also enjoys freight differentials to inland cities.

Complete terminal facilities and port economies insure prompt handling at minimum cost, while the resources of the Baltimore Trust Company provide ample means for financing a heavy volume of foreign trade.

BALTIMORE TRUST COMPANY



Still Going Strong!

FOUR YEARS AGO George E. Roberts, Vice President of the National City Bank, New York, wrote a series of articles for NATION'S BUSINESS under the title

"Things to Tell Your Men"

A Series on Economics in Homespun

More than 500,000 reprints of this series of articles have been distributed by NATION'S BUSINESS, on request. And after four years, the demand for reprints is still alive.

NATION'S BUSINESS will reprint at cost on request any article in any quantity. Attractive booklet size suitable for distribution.

A Nation of Men or Machines?

(Continued from page 40)

way across. Anything less than that is pure puffing, as well intentioned, perhaps, as the dear old village ladies, going among the poor of their communities with charity baskets on their fluttering arms, but equally ineffectual in permanency of effect.

What our unemployment problem needs is not guess work and charity, but science and cure. It is not a problem of the poor and the witless; it is a problem of our national economic and industrial fabric. It is not just sentiment; it is national well-being, which you may call business if you like.

Not Question of Output

THERE is no question of sufficiency of output for all. We have long since passed the stage where our capacity to produce was in question.

The amazing thing about it all, the compelling thing, the thing that makes the whole world dizzy with wonderment, is that we have reached a point where we produce to such prodigious degrees that unless every person is a buyer something goes wrong.

Once we would have said, "Here are two million or more who are hungry. It's too bad, let us give them something."

Now we say, "Here are two million or more who are unable to buy, and what are we going to do?"

The commodities for them pile up and they don't come and get them. Yes, unemployment is a different problem from that in the good old days of Grover Cleveland and Benjamin Harrison.

The pertinent fact, striking certain quarters like blasphemy and sacrilege, is that the one big, sure, sane, constructive remedy is a constant, careful, considered readjustment of wages and hours of labor. This is not the doctrine of wandering minstrels of economic fallacies. It is the conclusion of the sanest, most important men at the top of the industrial mountain range. The individual output in industry has trebled since 1923, indicating how we are speeding up the replacement of men by machines and of machines by ever-improving machines. The problem grows—the black magic works while we sleep.

Politicians make their gestures, aware that society holds them to a degree responsible. But they, poor things, are out of their element when it comes to devising remedies.

They may throw bits of bread upon the waters, in the form of public works, which they expect will return to them in the form of votes. But that contributes nothing to the permanent solution of unemployment troubles.

We may as well get through our heads the idea that this problem, in its permanent aspect, is a problem of and for industry, of and for the makers and distributors of commodities, and it is there

that the solution must be found. The problem is not in any major sense a political one.

Moreover, the problem can be made political in any sense only when government embarks upon some policy that upsets industry, such as war. Outside of that, the world of industry, where employment is concerned, is one thing and the world of politics is another. What the men of politics can do is to open the way for industry to enlarge and perfect its machinery of self-government, to enlarge its capacity to order its own house sanely, and betimes to point the finger to evils that need attention. The Senate inquiry of last spring and the Department of Labor report summed up into such a finger pointing.

Manifestly industry cannot do much unless it can bring organization into full play. There can be no discipline, no concerted effort, no large planning, and absolutely no check of one force upon another, without lawful, functional, unlimited organization.

And this must and in time will include every factor in industry, by which I mean every factor that plays a useful and functional role. It will then be possible to develop the necessary knowledge and take the necessary steps to prevent chronic unemployment.

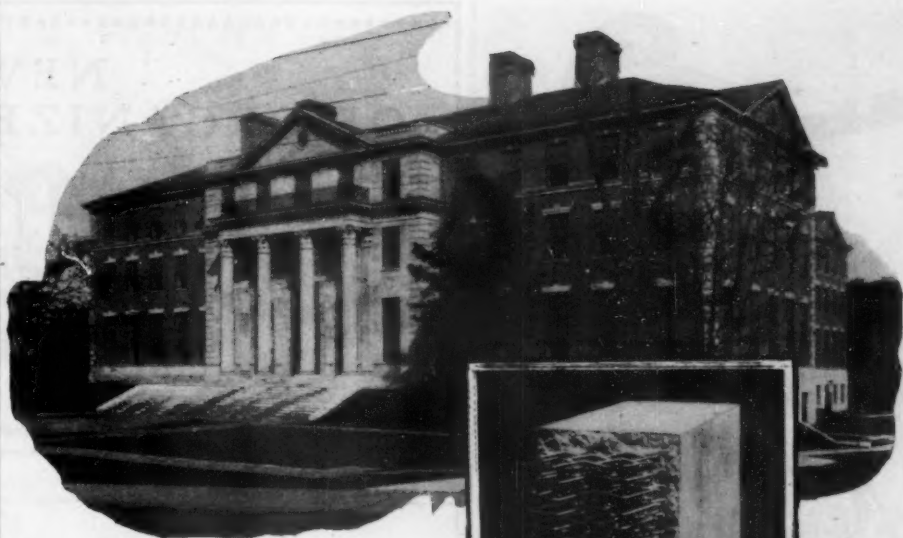
There always will be a certain sporadic unemployment, because there will always be those who, for one reason or another, do not want to work, or will not work, or cannot work. And there are likely to be crises which materialize too rapidly to be reached with preventive measures. But a proper relation of things to each other, of wages and hours to output, of men to machinery and of output to market, made possible by organization of industry and by the delegation of authority can be reached.

Trend Toward Improvement

UNEMPLOYMENT, in its serious aspect, can be abolished. This is not a professorial abstraction developed in the mists of intellectual rookeries; it is the essence of what business, industry, commerce—that conglomerate of building and forging and hammering and shipping and selling—is working toward, unconsciously for the most part, but with some speed, nevertheless.

It lies within the province of government to make possible more speed and it lies within the province of industry and commerce to make progress more planful instead of letting it remain adrift. American output needs an abounding, capable, virile, more voracious consuming public in America. Failing in that, we fail with a bang.

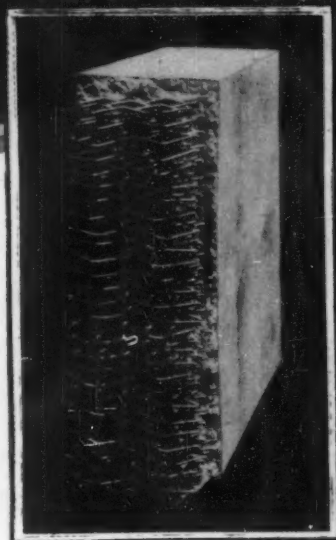
Why pack cartons for men who cannot buy? Why devise styles for women who cannot wear? Why spread the lure of Yellowstone before men who can't even pay local carfare? The needed thing is to bring the idle army back into the market. Perhaps that requires some courage on the part of industry, but it had better be brave and face the music.



A Steelcrete Armored Bank Vault guards valuables by day and by night in the home of the Connecticut Mutual Life Insurance Company at Hartford, Conn.

Architect: Benj. W. Morris, New York City
Contractor: Henry C. Irons, New York City

Other great life insurance buildings where Steelcrete Vaults have been recently installed: New York Life Insurance Bldg., New York City—Mutual Benefit Life Insurance Bldg., Newark, N. J.—Jefferson Standard Life Insurance Bldg., Greensboro, N. C.



CONCRETE BANK VAULTS with the Protection of Steel

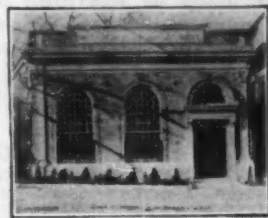
IT was only after investigation of various forms of Bank Vault construction that the Building Committee of the Connecticut Mutual Life Insurance Company decided upon the Steelcrete System to Vault Protection for its new building.

The findings of architect and builder clearly indicated the superiority of the Steelcrete entanglement of steel thoroughly imbedded in concrete. It was shown that this type of construction offered the maximum resistance against drill, cutting flame and blasting.

Steelcrete Armored Bank Vaults comprising thousands of heavy strands of steel conserve space and at the same time afford adequate protection of all valuables. Even in view of the increased safety, the Steelcrete System in this building costs less to install than any other form of Vault construction considered.

Let us send you a certified endorsement covering the details of this installation along with a book of facts. Write to us today.

Consolidated Expanded Metal Companies
Steelcrete Building, Wheeling, West Va.



Westborough Savings Bank
J. Williams Beal Sons, Architects
Village and Country Banks everywhere have installed Steelcrete Armored Bank Vaults to insure maximum protection per dollar invested.



OTHER STEELCRETE PRODUCTS FOR SAFETY
FRAME BAR and Industrial Mesh for Window Guards . . . Industrial Mesh for Safety Guards and Partitions . . . Metal Lath . . . Expanded Metal Concrete Reinforcement

When writing to CONSOLIDATED EXPANDED METAL COMPANIES please mention Nation's Business



ENDURANCE

While modern industry has replaced the endurance of man with the longevity of machines, thews and sinews are yet the sole source of power in many parts of the world. (For over 20 years, **PEELLE** Freight Elevator Doors have supplanted man-power with enduring mechanical energy in the field of vertical traffic.

Surveys for Executives

Executives interested in promoting efficiency by lessening manual labor should read A. C. Nielsen Certified Survey No. 104. It contains cost data and unbiased reports of actual operating conditions, etc. Write for it.

THE PEELLE COMPANY
Home Office and Factory: Brooklyn, N. Y.
Boston - Chicago - Cleveland - Philadelphia
and 30 other cities
In Canada: Toronto and Hamilton, Ont.

PEELLE

Freight Elevator

DOORS

["The Doorway of America's
Freight Elevator Traffic"]

When writing please mention Nation's Business

NEWS OF ORGANIZED BUSINESS



New Orleans Chamber of Commerce, founded 1834

WHAT is your interest, Chain Store Owner? Perhaps some independents are giving you pretty stiff competition. Perhaps you could learn something from the successful practices of independents in advertising, handling goods or what not.

Recently the National Chamber issued a pamphlet containing a list of all its publications with a description of what each covers.

Manufacturers may be interested in industrial expansion, foremanship, how to expand their foreign trade. They will find something helpful in this pamphlet.

As a citizen you may be interested in city zoning and planning, street and highway traffic, or aeronautical development.

The National Chamber has eleven service departments dealing with different phases of business, insurance, agriculture, foreign trade, etc. These experts are constantly collecting the latest information on the successful practices in their fields. This is embodied from time to time in pamphlets.

A summary of all these pamphlets, "List of Publications," is available upon request to the U. S. Chamber of Commerce, Washington, D. C.

Sicknesses of Middle Age

THOUGH thirty-seven years have been added to the average lifetime of man during the last four centuries, no important gains in longevity have been effected for those who have reached 52 or beyond, according to "The Silent Sicknesses of Middle Age," a publication of the Insurance Department of the National Chamber.

The most serious problem in public health at the present time is found in the chronic maladies to which the term "silent sicknesses" has been applied. There are manifold causes back of these degenerative diseases, and there is considerable doubt as to the major underlying causes that are now operative in connection with them. However, one great fault in the situation is the failure to recognize them in their early stages.

A fundamental procedure in attacking this problem is the periodic health examination, the correction of any physical defects revealed, and the regulation of living habits along constructive lines. Temperance in everything is the answer to the question, "How shall I live in order to avoid these organic maladies?"

Copies of this publication, "Health Bul-

letin No. 6," may be obtained upon request from the National Chamber.

Inheritance Taxes

REVENUE from death dues has trebled in the last decade, according to figures contained in a report of the State and Local Taxation Committee on "State Inheritance Taxes" recently published by the Finance Department of the National Chamber. This type of tax is one of the most widely used. Only three states, Florida, Nevada and Alabama, and the District of Columbia, do not levy such a tax. Rates and methods of administration vary widely. In fact, about the only point of agreement is the existence of the tax itself. Inheritance taxes now form about seven per cent of the total tax collections of the states, ninety millions out of \$1,250,000,000.

From the standpoint of inheritance taxation, the three types of property, real estate, tangible personal property, and intangible personal property, each present separate questions.

Real estate can be taxed only where located, and a recent decision of the United States Supreme Court that tangible personal property likewise can be

LITTLE DRAMAS IN THE LIFE OF A GREAT NEWSPAPER SYSTEM



Painted for Scripps-Howard Newspapers
by Saul Tepper

"Kill my cow for an Editor?"

A SCRIPPS-HOWARD Newspaper in the center of a western dairy district led a state fight against tubercular cattle.

For five years it struggled to convince farmers and dairymen that infected animals were not only dangerous to life and health, but were business liabilities.

A long series of editorials and articles was published. The State Agricultural College was enlisted. And the day finally came when the

I should say not"

dairymen who had bitterly assailed the editor wrote to the state inspector, asked him to inspect their herds, and to slaughter all infected animals.

Sections of the public are often wrong-headedly committed to a course against their own interests. The editor who attempts to convince them that they are wrong must have the courage to stand both

circulation loss and advertising loss.

Public opinion changes slowly. But he gains both back in the end, in heaping measures. And he establishes his paper so firmly in the homes and hearts of his readers that no opposition can shake their trust in its integrity.

This reader-confidence that the SCRIPPS-HOWARD Newspapers have built up through many strenuous years is not for sale at any price. But it can *make* sales for advertisers.

NEW YORK . Telegram SAN FRANCISCO News DENVER Rocky Mt. News
CLEVELAND . Press WASHINGTON . News DENVER Evening News
BALTIMORE . Post CINCINNATI . Post TOLEDO . News-Bee
PITTSBURGH . Press INDIANAPOLIS Times COLUMBUS . Citizen
COVINGTON . . Kentucky Post — Kentucky Edition of Cincinnati Post



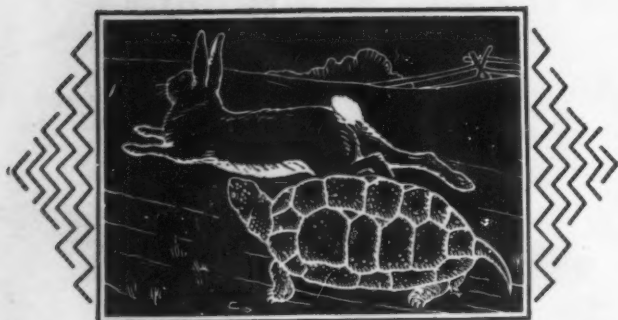
AKRON . . Times-Press YOUNGSTOWN Telegram KNOXVILLE News-Sentinel
BIRMINGHAM . . Post FORT WORTH . . Press EL PASO Post
MEMPHIS Press-Scimitar OKLAHOMA CITY . News SAN DIEGO Sun
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The Race Is Not Always To The Swift!

SOME manufacturers—and merchants, too—make a great showing of *Profitless Prosperity*—that is, they are going through the motions of doing a much larger business than their contemporaries and often have no idea how little real profit they're making—because record keeping with them is not on a par with sales making.

Some firms, however, are actually realizing more net profit on smaller volume—with much less grief and hard work—because they are fully equipped in all departments with *Egry Registers* which give an accurate picture of the business at all times.

Our Latest Achievement
—the Egry
COM-PAK



35 Years
of Building
Autographic
Registers

SEND FOR FULL INFORMATION SHOWING HOW
AN EGRY SYSTEM CAN HELP YOU

THE EGRY REGISTER COMPANY, Dayton, Ohio

Who are our 270,000 Subscribers?

They are executives in 136,679 Corporations*

In these corporations the magazine is being read by the following major executives:

Presidents.....	66,675	Department Managers	
Vice-Presidents	31,250	(Branch—Purchasing—	
Secretaries.....	30,374	Sales—Export, Etc.).....	18,674
Treasurers.....	15,274		
Partners and Proprietors....	19,474	Major Executives.....	212,160
Directors, Chairmen of Boards,		Other Executives	14,500
Comptrollers, General Coun-			
sels, Superintendents and		Total Executives.....	226,660
Engineers	10,700	All other Subscriptions.....	43,340
General Managers	19,739		

NATION'S BUSINESS, Washington, D. C.

*Figures based on a complete investigation of all subscribers in twelve cities

legally taxed only where it has actual situs at time of death of decedent (the domicile of the owner not being the controlling factor in such cases) has greatly clarified the situation, so far as the taxation of this type of property is concerned.

Theoretical cases can be worked out where the amount of taxes levied by various states exceeds the total value of the estate, and some actual cases have approached this theoretical confiscation.

The publication is a comprehensive study of the situation, with various suggestions for its relief.

Electing Directors

AN IMPORTANT chamber problem is the stimulation of interest and knowledge of what

the organization is doing. The Columbus, Ohio, Chamber of Commerce was able to stimulate interest by using the election of directors as the occasion.

At the last annual election a canvassing committee selected by the membership at large canvassed the membership list and selected ten candidates for directorships of which five were to be elected. These ten met with the president of the Chamber and discussed the program of work. By drawing lots they divided themselves into two tickets of five each, adopting platforms and selecting a campaign manager from the Chamber staff. The rival groups then issued campaign material and entered on a vigorous contest for votes. The vigor of the campaign brought out the vote. The platforms informed the membership of what the Chamber had done, is doing, and proposes to do. Three from one ticket and two from the other were elected.

Knowledge is Power

OVER two hundred and forty men attended the National School for Commercial and Trade

Organization Secretaries held at Northwestern University, Evanston, Ill., from July 8 to 21. The men came from thirty-four states and Canada. Forty of them were trade association executives representing twenty-two different phases of industrial production and distribution.

The professors were leading university, chamber of commerce and trade association men selected because of their outstanding ability and the proven success of their work. The National Chamber men who gave courses were: Manager Van der Vries, of the North Central Division; Manager Baker, of the Trade Association Department; Manager Brookings, of the Natural Resources Production Department; Manager Brown, of the Commercial Organization Department; Manager Leopold, of the South Central Division; Assistant Manager Howard, of the Department of Manufacture; Assistant Manager James, of Agricultural Service; Assistant Manager Rogers, of the Civic Development Department. The courses covered every phase of chamber of commerce and trade association work.

President Butterworth, of the National

Chamber and Merle Thorpe, Editor of NATION'S BUSINESS, spoke to large noon-day meetings.

President Butterworth spoke on the relation of the National Chamber to local chambers and trade associations. Merle Thorpe talked on the value of the school. The value cannot be overestimated not only to the secretary personally but also to his organization.

The school presents an opportunity to learn what others have done successfully. Secretaries get a new idea of their jobs and how they can be done most effectively. Local chamber and trade association boards of directors are more and more coming to realize that it is part of the secretary's job to attend the schools, that the organization will progress more rapidly.

At the close of the school Manager Van der Vries expressed himself as well pleased with the results of this year's session and announced that plans were already under way to make next year's school even more complete.

The Western School for Commercial Secretaries was held at Stanford University, Palo Alto, California, from August 4-11. All the eleven Western states were represented. Ray W. Smith, business manager of the school, in commenting on the work, pointed out that this year's session was the best, not only in numbers attending, but also in the quality of the work. He said that the school is now firmly established and that next year's prospects are bright.

A Town That Came Back

FOUR FLOODS in four years nearly destroyed Beardstown, Illinois, but the citizens refused to be downed. The experiences of this city of seventy-five hundred are described by E. E. Nicholson as follows:

In the days of its infancy the river was its principal asset; when the railroad was unknown, the packets plying the then harmless stream brought commercial prosperity, but in later years it came to be the town's greatest menace.

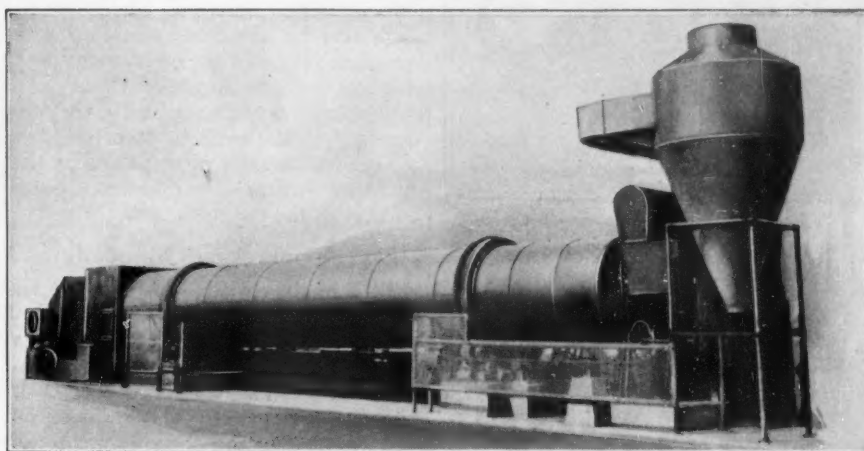
Of course, there was an underlying cause. For some years past the lowlands along the river banks for miles both above and below Beardstown had been reclaimed; first a levee here and then one there until by the year 1922 it was a stream walled on both sides, confining the waters to a narrow trough. Added to this process must be considered the raising of the level of the River some two and one-half feet by the emptying into the head of the river the now famous Chicago Sanitary Canal.

All went well, however, until a season of unprecedented rainfall hit the Illinois Valley and the creeks and streams adjacent to the river poured in their turbulent waters and the "spring rise" which had come and gone yearly without much disaster, became a sudden menace and the river came over its banks and poured itself forth over this pretty town.

To mark the date more precisely it was on Easter, 1922, that the town was a

Uninterrupted Plant Operation

made possible by substituting a Louisville Continuous Dryer for one which delivered material intermittently



To dry one of the ingredients of his product, an Eastern manufacturer (name and address on request) used a type of dryer which delivered material intermittently.

Realizing that his entire manufacturing process was thus being hampered, he appealed to Drying Headquarters for a machine which would deliver material continuously.

Following a careful inquiry into his problems, Louisville Drying Engineers installed a Louisville Rotary Dryer which was planned to function as part of the whole manufacturing process. By delivering material continuously and automatically, it has

speeded up production throughout the entire plant.

Says the manufacturer: "In addition to the economies effected by continuous operation, there have been large savings in labor, fuel and space. The quality of the finished material is superior to that obtained by former methods."

5 Ways

to cut drying costs

- 1 The first way is to permit Louisville Drying Engineers to make a study of your drying problems. They will recommend a Louisville Dryer which will . . .
- 2 Cut fuel expense from one-third to one-half in many cases.
- 3 Deliver dried material continuously, thus permitting of uninterrupted plant operation.
- 4 Cut the number of attendants needed to one in most instances.
- 5 Reduce the amount of floor space required as much as 80%.

Louisville Drying Engineers have aided a thousand manufacturers in more than fifty industries to dry materials more efficiently and economically. They will gladly make a study of your own drying problems (without obligation, of course) if you will return the coupon below.

LOUISVILLE DRYING MACHINERY COMPANY.

Incorporated

Hull St. and Baxter Ave.
Louisville, Ky.

Cable Address, Loudry, Louisville, Kentucky

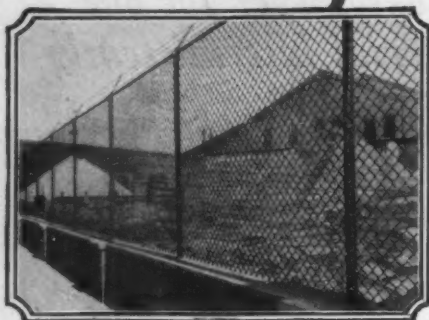
Pin to Letterhead

Mail to Louisville Drying Machinery Co., Hull Street and Baxter Avenue, Louisville, Ky., for further particulars of the service offered by Louisville Drying Engineers. No obligation.

Name

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veritable Venice. Business was not at a standstill for many enterprising merchants built dikes or levees of sand bags and kept the water at bay for a few feet at least. Others moved their stocks to the higher shelves and served as best they could.

The novelty began to wane as the waters receded after a siege of some three or four weeks, and the State and City health authorities followed rapidly with disinfectants, and from a health standpoint none were the worse for the incident. Those who had suffered in a material way soon made the necessary repairs and the town lapsed into a normal condition. Some agitation was aroused for protection from a recurrence and the legislature of the State made an appropriation for a sea wall, but many of the citizens became prophetic and said it would never occur again and so they went forward in the even tenor of their way and as two or three years passed by without any further disturbances, it seemed as though the prophets were correct.

Town Again Flooded

BUT in the early fall of 1926 the river went on another rampage and the same experiences as in 1922 were repeated.

The spirit of self-preservation was then thoroughly aroused. There was no novelty to the situation now. It was serious. Committees were appointed; petty jealousies were wiped out and a comprehensive plan for protection was promulgated. The State appropriation which had lain dormant for this time was revived and plans put under way for the building of a sea wall. Repairs to property were made; the necessary clean-up accomplished and normalcy established. The fear of a repetition of the flood came with the first part of 1927, and in February the stream reached forth for the third time and enveloped the town in its embrace.

Tragedy stalked the streets. The waters receded within a period of some three weeks and with heavy hearts and depleted pocket books the citizens again set about the task of rehabilitation. It was a more irksome task than ever before. The work was well toward accomplishment, however, when the rains descended; the river swelled and spread its arms and clasped unto its bosom the much drenched city. Gloom spread and the spirit of the citizenry was apparently broken. There were signs of "For Sale" everywhere. Those, who could, made arrangements to move away and during the term of the flood it looked as though the town would be sadly depopulated.

But "it is always darkest before dawn" and as fast as the river receded the business men and home owners set about with a resolute will and the town was soon back in its old stride. But there was an unsettled air. Four floods in practically four years was about all that human nature could bear.

Before the river was well within its banks, the Citizens' Flood Protection

Committee was at work with a will and a defined purpose, and in less than six months the big dredge had thrown the first shovelful of dirt marking the commencement of the work of erecting the sea wall which now encloses the town and will in the future hold back the encroachment of the river.

But this work, costing the State \$500,000, was only a part of the plan. The citizens, despite heavy financial losses, aroused themselves and bravely went to the polls and almost unanimously voted a \$250,000 bond issue for internal improvements which are well under way and which will complete the general plan of protection. But what about the individuals? In the meantime, they met in lodge, church, civic club and Chamber of Commerce, and said "The town must come back." They proceeded to carry out the slogan. Temporary repairs were made and a near normal condition was accomplished until the sea wall was completed and when protection from further floods was thus assured.

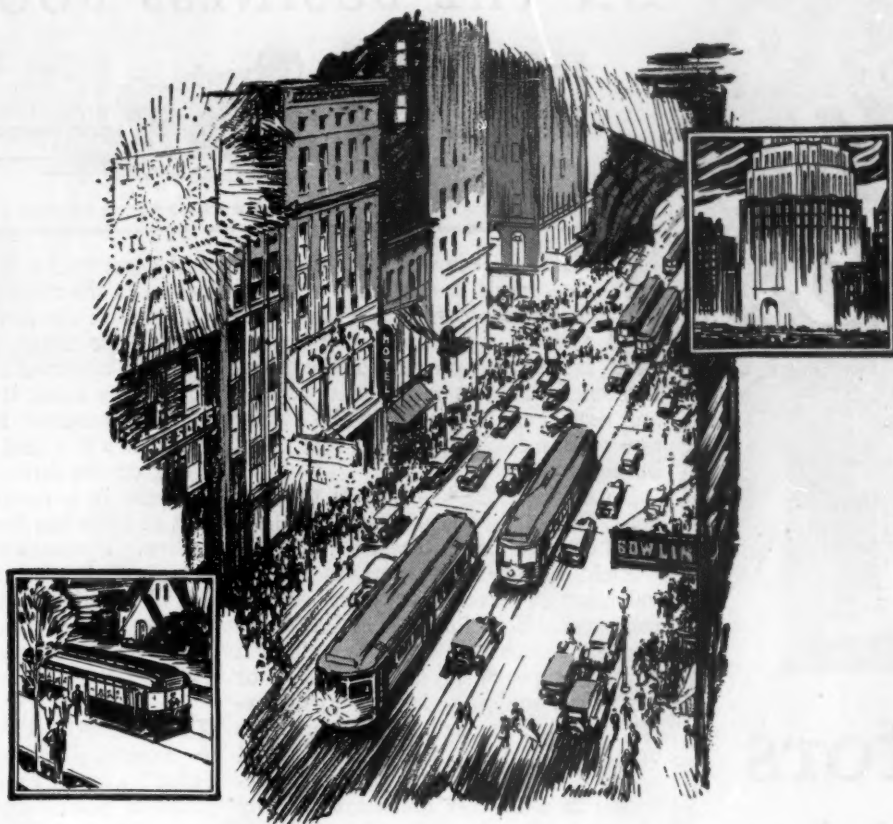
The various committees of citizens banded together and inaugurated a clean-up and beautifying campaign. The results were little short of marvelous. Every home-owner rallied to the call of the Mayor and Chamber of Commerce. The town was districted and each vied with the other for supremacy. Lawns were revived, as much of the grass had been ruined by the water; houses were repainted, and where necessary repaired; trees trimmed; flower beds constructed and shrubbery planted. No little touch necessary for the beautifying of property was neglected until today it is a far cleaner and brighter looking city than ever before.

No one who has not experienced the flood days could hardly conceive that water stood four and five feet in height on all of the principal streets and higher in some of the lower portions as the marks on the buildings have been effaced through the clean-up campaign. It has been truly a remarkable "Come Back."

Coming Business Conventions

Date	Place	Organization
Sept. 2-8	Los Angeles	National Radio Show.
4	New York	American Manufacturers Association.
10	Glacier National Park, Montana.	National Association of Railroad and Utilities Commissioners.
10-14	San Francisco	National Association of Retail Druggists.
10-13	Los Angeles	Western Division American Mining Congress.
12-14	Detroit	National Association of Life Underwriters.
13-14	Los Angeles	Society of Automotive Engineers.
Wk. 16	Chicago	National Macaroni Manufacturers.
17-20	Buffalo	American Institute of Accountants.
17-21	Coronado, Calif.	Pacific Coast Gas Association.
17-20	Los Angeles	Pacific Foreign Trade Council.
18-20	Detroit	Track Supply Association.
19-21	Grand Rapids, Mich.	American Industrial Leaders Association.
19	Buffalo	National Wood Chemical Association.
20-22	Cleveland	American Electric Railway Association.
24	Boston	New England Manufacturing Confections Association.
26-29	Chicago	Railway Equipment Manufacturers Association.
26	San Francisco	Shipowners Association of the Pacific Coast.
27-28	Memphis, Tenn.	National Hardwood Lumber Association.

WESTINGHOUSE SERVES EVERYWHERE



Dusk asks for light and street cars... and gets them

On dull days, darkness comes while the city is still at work. Then, millions of fingers reach for millions of switches. Office buildings spring to life against the darkness of the sky; shadows are driven from the streets; electric signs ripple and flash; store windows are flooded with light; homes gleam with the warm welcome of cheerful lamps.

Five o'clock! The roar of traffic grows louder. Out of the stores, the offices, the factories, people pour into the streets, gathering in crowds at the corners. One after another, street cars swing through the lines of traffic.

These millions of lights, these thousands of homebound people, make a staggering demand for electric power and for street cars. To answer that demand, your electric service and transportation company keeps in readiness extensive equipment and many cars that are idle at other hours of the day.

The twilight climax is but one of many peak demands for electricity that your light, power and transportation company has equipped itself to meet.

Pioneering in every electrical field, Westinghouse works shoulder to shoulder with your electric service and transportation company to assure you both continuous service and continuously improving service from reliable, efficient electrical equipment.

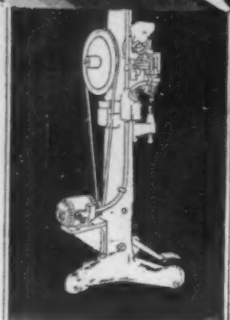
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Motors for driving machine tools

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Wagner Motors are available in the split-phase, repulsion-induction, squirrel cage, slip-ring, Fynn-Weichsel, and air-jacketed types, furnished with either sleeve or ball bearings for horizontal or vertical operation.

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When writing please mention Nation's Business

ON THE BUSINESS BOOKSHELF



IN THESE days when the matter of valuation is a constantly growing subject of discussion and the "interested parties" form an ever widening circle, it is to be expected that the literature on the subject will likewise expand and occupy its own niche in the library of literature dealing with the problems of business.

To be noted in this field is the new book, "Principles of Valuation." The authors describe it as follows:

Eight mathematical methods for the valuation of income are described and compared. Both formulas and arithmetical tabulations illustrate the valuation of many types of income; terminable or perpetual; subject to income tax or tax-free; equal, changing by regular amounts or percentages, or irregular in annual amount. This technical subject is presented in a manner understandable by anyone having elementary knowledge of algebra.

One appendix contains 27,000 valuation factors; the other being a compilation of numerous long term interest rate series. One such series comprises average yields on interest bearing debt of the United States from 1802 to 1927.

However that may be, the book is worthy of notice by those who are engaged in financing manufacturing enterprises, rental properties, natural resources and public utilities.

MR. MEAD'S book^a is another example of what the farmer has to endure from persons who presumably are well meaning, but cannot think straight.

The authors perform all sorts of fantastic stunts with facts and figures. They begin by assuming that public utilities and railroads are guaranteeing a return on their investments. How a professor of finance in the same university as Emery Johnson can cut this particular caper is hard to imagine.

It is assumed that common labor is employed regularly 300 days of the year. In other words, that the millennium has come for common labor. But ask the coal miners and some others.

The authors assume that the farmer is a serf tied to the soil and his homestead and laboring 365 1/4 days a year. There may be some who do it, but they are few and far between. In fact, farmers have been known to enjoy the rainy days as holidays (except when odd jobs kept them working indoors) as well as most of the legal ones.

That vocational schools under the Fed-

eral government be established as suggested in the rural districts to train the children on the farms to go to town to make their living, would hardly meet with the approval of the farmers. Personally we think it would be better to let the marginal farmers go to town when they find that they cannot make a living on the farm.

There is a revolution in agriculture just as there has been and now is in industry. Panaceas will only prolong the period of adjustment. There were farmers who made profits through the worst of the agricultural depression. It remains for the others to learn their methods.

PROFESSOR FISHER, of Yale University, discusses in "The Money Illusion" what he calls the most important problem before business today. And, strangely enough, it is a problem that business—much of business at least—is not aware of.

Every measure that business uses is fixed except the calendar and the dollar. Even the calendar doesn't vary more than three days between the shortest month and the longest.

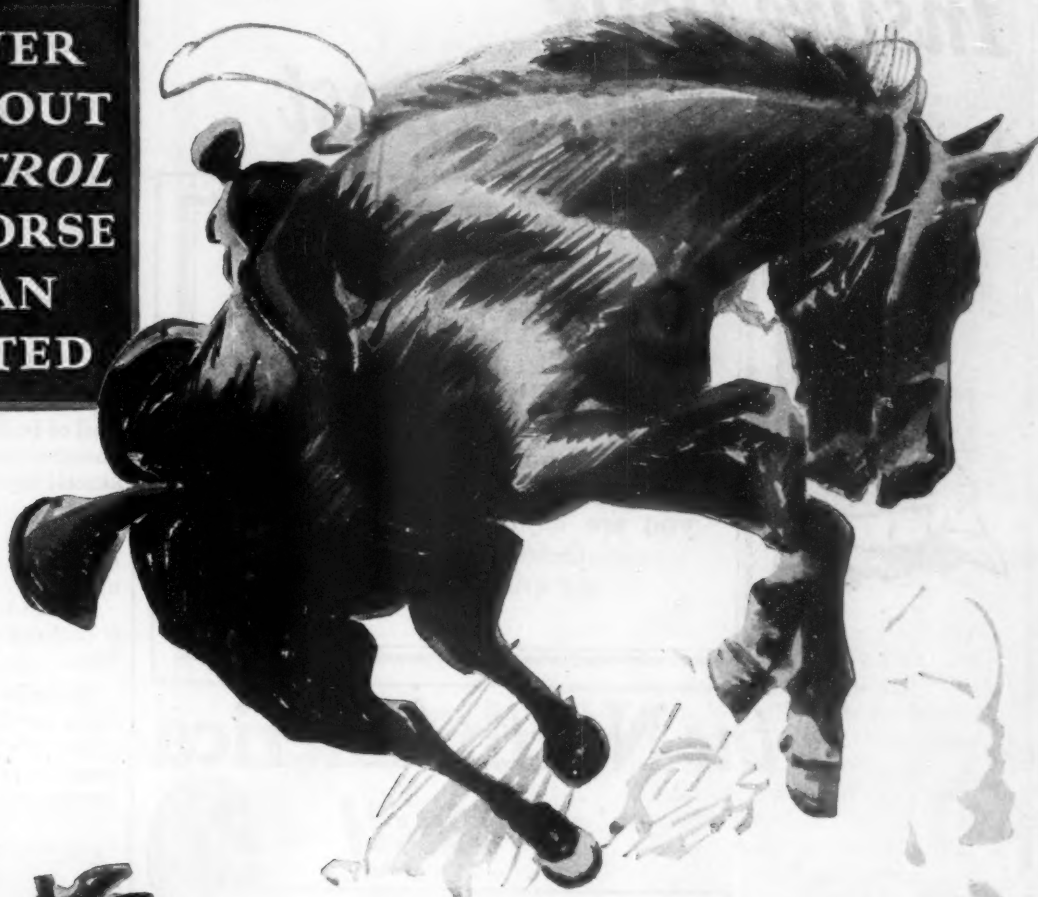
But our dollar, fixed in weight by 23.22 grains of gold, varies in value from time to time. For convenience the value of the dollar in terms of purchasing power is measured by the prices of commodities in 1913. The purchasing power of the dollar—the real value—is expressed as 100 cents in 1913. In 1910 it was only 99 cents. In 1915 it was 99 cents. In 1920 the dollar would buy only 44 per cent as much as it would in 1913. There was in 1920 no great scarcity of all the commodities that go to make up the typical market basket. The answer is in the large importation of gold during the War. Then quite logically the price of gold went down because of the surplus. But since the dollar is fixed at 23.22 grains of gold, the value of the dollar went down as the price of gold measured in other commodities, de-

^a**Principles of Valuation**, by John Alden Grimes and William Horace Craigie. Prentice-Hall, Incorporated, New York City, 1928. \$10.00.

^b**Harvey Baum—A Study of the Agricultural Revolution**, by Edward Sherwood Mead and Bernhard Ostrolenk. University of Pennsylvania Press, Philadelphia, 1928. \$2.

^c**The Money Illusion**, by Irving Fisher. Adelphi Company, New York, 1928.

**POWER
WITHOUT
CONTROL
IS WORSE
THAN
WASTED**



Wild Horse Power

INDUSTRY CAN'T AFFORD THE FEED BILL

Brute power never takes kindly to harness. Bucking and thrashing, it asserts its wild nature when man demands that it work for him. This is as true of electric power as it is of horse flesh. Electric motors are ever eager to throw off restraint—to thrash about in defiance or idle instead of labor.

That is why alert purchasers of electric motors give close attention to the selection of Motor Control equipment. Motor Control is the harness for electric power—and industry today cannot afford "wild" horsepower in motors. Thus progressive machinery builders and users, who insist on full utilization of every electric motor installed, specify Cutler-Hammer Motor Control and recognize its performance as too vital to allow for substitution.

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MANIFOLD for Air Mail ★ ★

USE the Air Post Regularly. Rate now 5 cents an ounce—any distance—10 cents for each additional ounce or fraction. Reduce weight and bulk of correspondence by using Dexstar Manifold Paper. Equally valuable for Foreign mail.

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A Bowman Biltmore Institution
"Where Southern Hospitality Flowers"

Guests' Comforts above all else

Rates from
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Jno. McEntee Bowman, Pres. Wm. Candler, Vice-Pres.
W. C. Royer, Vice-Pres. and Manager

scended. This gave the illusion of high general prices in 1920.

That, however, was not the only time the dollar has fluctuated in value.

The great majority of the people are not aware of any fluctuations in the value of our dollar. They thought that all prices were going up when only gold was coming down. They considered that all prices were coming down when only gold was going up. This is the Money Illusion that is the subject of Professor Fisher's book. His book is interesting and enlightening. His program was given in "Stabilizing the Dollar." His present work is an expansion and review of the theory.

Stabilizing our dollar is an economic need of business today. Professor Fisher discusses the methods proposed. As he himself says:

The object of this book is not to provide any cut and dried solution but to put it up to the reader, especially if he is a business man. . . .

All that this book can or should attempt is to stimulate the wish to solve the problem.

We have been enjoying a fairly stable dollar for the last few years more because of the policy of the Federal Reserve System than because the old plan of letting it fluctuate haphazardly has been remedied.

AMONG the more important programs suggested for stabilizing the dollar are these:

Stabilization through the influence exerted by the Federal Reserve. The Reserve may, by various ways, increase or decrease the amount of money in circulation thus increasing or decreasing the total supply which by the law of supply and demand acts to decrease or increase the value of the dollar. The Reserve System has by this means been able recently to keep the dollar fairly stable.

One of the most important means, which the Reserve has, of varying the amount of gold is to vary the gold reserve between 40 per cent which is its legal minimum and 100 per cent which is the economical maximum.

Control of the production of gold. It has been suggested that an international commission be established to limit or encourage the output of gold mines as the world has enough or lacks gold.

Control of the weight of gold in a dollar. This is ordinarily referred to as the compensated dollar plan. The principle of it is to vary the weight of gold represented by a dollar as the value of gold measured by commodities goes up or down. This would keep the dollar stabilized by commodities and not fluctuating with gold.

The best of these plans would seem to be varying the reserve ratio of gold except that some method should be found to keep the dollar steady even if the reserve should have to go above 100 or below 40 per cent to do so. The present policy of the Federal Reserve will work fairly well until such time, but then the

old unstable dollar with all its attendant ills will be back.

Professor Fisher favors the compensated dollar and has an ingenious scheme to put it into effect which might or might not work.

The gold dollar, despite its faults, is the best yet tried. We should be careful not to discard it before finding a better substitute.

THERE is something unusual about a book that sells for \$100. In looking through the present book* we find these things: The copy is numbered. The preface contains a promise to send corrections for any important error that may be found to every purchaser of the book. An almost infinite number of mathematical calculations are contained in its preparation. The information contained could not be obtained elsewhere except at great expense. But the most important item in setting the price at \$100 is that the circulation is very limited.

In brief, this book is a detailed analysis of the values of newspapers in advertising. But how valuable is it? The system here used is not one ordinarily considered by those buying advertising space.

THE Pacific Ocean* is the next center of world struggle. It is the meeting ground of progressive West and awakening East. Great Britain, the United States, China, Japan, and Russia all have vital interests there. Their interests may clash. The authors of this book assumed that they would clash. That is their forecast.

This book discusses everything from the length of the beam of searchlights on French airways and destructive distillation of coal in Germany to the rate of population increase in Japan. (Incidentally these topics are all taken from the same chapter, No. VI). But this is not such a fault as would seem; the book furnishes a general background for the Pacific situation.

It was written by Englishmen, but it does not neglect the United States. It is, we think, well worth reading.

SAFETY campaigns* are brought about by the realization of the cost of industrial accidents to the industry as well as to the injured employee. The new interest in safety has brought about a reduction of accidents by half in some industries.

Our record for industrial accident prevention had gradually grown better up

Newspaper Rate and Circulation Analysis compiled and published by Chas. W. Mears, Cleveland. 1928. \$100.00.

The Pacific—A Forecast by Lieut.-Col. P. T. Etherton and H. Hessel Tiltman. Little, Brown and Co., Boston. \$3.

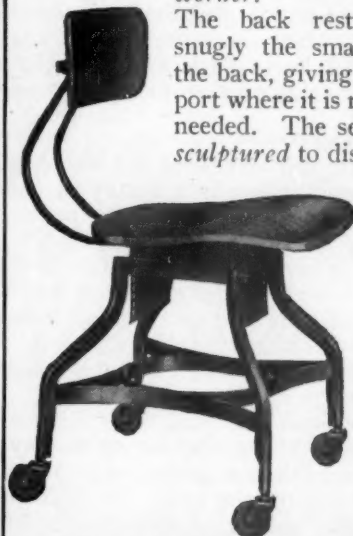
Safety and Production, a report by the American Engineering Council. Harper & Brothers, Publishers, New York. \$5.

Prove in Your Own Office and Factory That Comfort Cuts Costs!

MODERN, labor-saving machinery has increased production and decreased manufacturing costs—by enabling one individual to do many times the amount of work in a given period of time. And in scores of great industrial plants, offices and shops

UHL Steel Posture Chairs

are accomplishing the same results by conserving human energy, lessening fatigue and affording a comfortable, restful seat. These chairs, made in many styles, are easily adjustable to fit each individual worker.



The back rest fits snugly the small of the back, giving support where it is really needed. The seat is sculptured to distrib-

ute evenly the weight of the body — without strain on nerves or muscles.

UHL Steel Posture - Chairs are made of cold-rolled U-Shaped channel steel and they are welded at points of greatest strain. This eliminates breakage and reduces to a minimum the cost of maintenance.

We also make a complete line of UHL steel furniture for office, shop, school and cafeteria. Catalog sent on request.

The Toledo Metal Furniture Co.
2005 Hastings Street
Toledo, Ohio

The Toledo Metal Furniture Co.,
2005 Hastings St., Toledo, Ohio.

Please send catalog.

Name.....

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ANY ARTICLE in this or any other issue of NATION'S BUSINESS will be reprinted at your request for distribution among friends, business associates, employees and others.

These reprints, in attractive and highly readable form, are furnished at cost, plus postal charges.

Fill in and return the coupon below and we will quote you cost prices in any quantity.

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PLEASE send me reprint cost information on the article.....
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Play the SILVER KING



"Don Clifford ought to take up boxing—he fought a great round with his ball today."

"Yeah. On the 3rd he took a hay-maker that knocked the ball clean off the tee—three feet at least."

"Don's vicious. Have you seen his uppercut? It gets beautiful distance—straight up in the heavens! Why if that bimbo's ball gave off smoke he could do sky-writing with it."

"Why don't we start him playing the Silver King?"

"What for? I'd hate to see my favorite ball in the hands of that Jack-the-Ripper."

"More to it than that. Every able-bodied golfer has possibilities—and the Silver King brings 'em out. It gives a man confidence. He knows the King flies far and true with an easy swing so he quits pressing. Perhaps it seems to improve the beginner's game most but the King is great psychology for anybody—whether he's temporarily off his game or at top form. It takes one big uncertainty out of a very uncertain game to play the Silver King."

Silver King—
Reg. U. S. Pat. Off.



[Imported by]

JOHN WANAMAKER
NEW YORK

Wholesale Golf Distributors

until the last few years. Since then the number of accidents has been increasing, but the proportion of accidents to production is still growing less. It is not enough to have this proportion grow smaller; the total number of accidents should decrease, according to the findings of the Committee.

Accidents can be controlled as is shown by the firms that have records several times as good as other companies engaged in similar work.

"Industrial accidents can be controlled under modern conditions of highly efficient productivity by the same managerial skill that controls production itself. In spite of the belief which is still held in many quarters, safety does not interfere with production, but on the contrary, aids it." Safety and efficiency, in fact, have in general a close positive correlation.

These are only generalizations from the report. The Committee goes into great detail for the various industries. Sections are devoted to each of sixteen industries, and to make sure none are omitted as the Greeks worshipped Pan, another section is added which the authors label "miscellaneous industries."

Less facetiously, the book is not hard reading as one might expect of such a work. Many charts are included, and to say the least, charts are more quickly read than type and are more easily understood.

THE first volume of Mr. Hickernell's book is largely a history of panics and depressions of the early period of the history of the United States. Such data in our history is too often lacking. The data of Mr. Hickernell were collected originally for a doctor's dissertation at Yale. Fortunately for him who reads, the material was rewritten until it is readable by the lay mind.

We might epigrammatically summarize the second volume by saying the way to forecast business conditions is to know what is happening now. Mr. Hickernell discusses the various indexes of business and common methods of forecasting business. He emphasizes the availability of statistics.

This paragraph is worth quoting:

Business men sometimes expect too much from a mathematical chart. They have an undue reverence for mathematics. There is something exact about a mathematical equation. Consequently, if a mathematical formula is employed in constructing a chart used in business forecasting, the layman anticipates that the chart will do the work unaided by human judgment. Some college instructors have a tendency to teach business forecasting as if it were merely a question of using mathematical formulae in making charts. The construction of such a chart, however, is only a minor phase of business forecasting. In fact, a business forecaster can perform his work successfully without employing the method of least squares, or any other mathematical formula, to eliminate secular trend, and without making any use of the coefficient of correlation, while a mathematical chart is useless unless supplemented with an

analysis of a number of outside factors and good judgment in their interpretation.

ALMOST every manufacturer advertises at home. Why not abroad if he sells abroad? The book by Mr. Hart is one of the first attempts to aid the manufacturer in advertising abroad. He has chapters on the Orient, including the advertising in motion pictures there; on Latin America; and on the different European countries.

DR. KURT KAUFFMANN considers that the greatest of all wastes is the waste of brain power. He is probably right. His present book is an attempt at waste elimination in that sphere.

Although the book is nominally a translation of Dr. Kurt Kauffmann's book which has sold widely in Germany, readers will recognize the lucid style of Herbert N. Casson, who has contributed several articles to NATION'S BUSINESS. Mr. Casson is perhaps one of the most facile business writers in English. We would attribute the English translation of this work to the best of the author and the translator.

The jacket of the book says the formula for creative thought is alone worth the price of the book (five shillings in England). We won't argue the point, but rather give the summary of the formula: "First fill the mind with the facts that you wish to think about. Then rest or sleep and the ideas will come as soon as the brain has recovered from the fatigue." It's undoubtedly valuable advice, and with the explanation that goes with it, it is better.

Readers, perhaps, will not get many ideas from the book. The few are good. It deals pretty closely with its one subject. Of particular interest to us is the chapter on reading.

The great books are the ones to read—the books like those of Huxley, Darwin, Shakespeare, and Marcus Aurelius that shaped the course of nations. Multitudes of lesser writers have made bad rehashes of their original ideas.

Both sides should be read in a controversial subject. We should read for facts, not opinions. Opinions are one-sided.

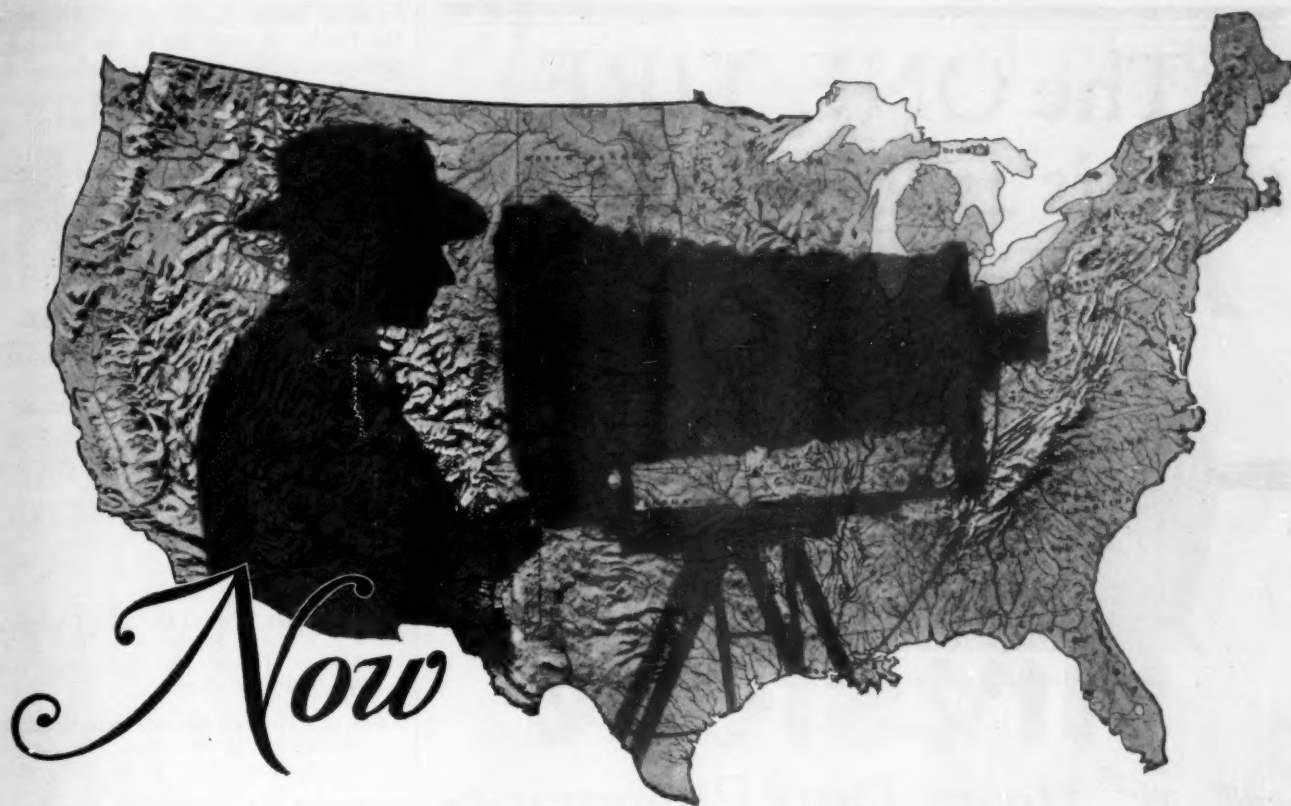
Taste a book before reading it thoroughly. It may be something which holds no value for you, then you should not read it. There is a limited amount of time which may be devoted to reading, therefore we must exercise great care in choosing the most valuable reading.

After reading, some method is required

Financial and Business Forecasting, by Warren F. Hickernell. Alexander Hamilton Institute.

Foreign Advertising Methods, by Charles S. Hart. The de Bower Publishing Company, Inc., New York, 1928.

The Brain Workers' Handbook, by Kurt Kauffmann and Uve Jens Kruse. Translated by Frederick H. Burgess and Herbert N. Casson. The Efficiency Magazine, London. 5 shillings.



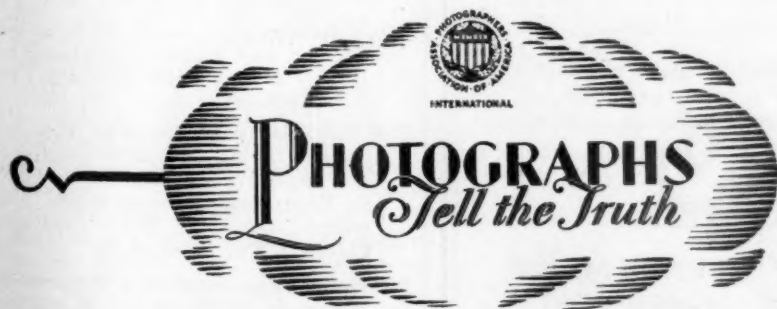
..... a
*Photograph from across
 the Country as easily as
 from across the Street*

YOUR local commercial photographer can now give you a photographic service that extends from one Portland to the other; from the Great Lakes to the Gulf. No matter what the subject may be, or where it is located, just tell your local man what you require. Through the national network of the Photographers Association of America, he will see that you get quick, dependable, economical service.

Your local photographer transmits the order to his associate in the distant city. He attends to all details, shoulders all responsibility, relieves you of every worry and delivers the finished print direct to you.

Announcing
a Nationwide Photo-
graphic Service
Sponsored by the
PHOTOGRAPHERS
ASSOCIATION
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AMERICA

OFTEN you have wanted a photograph of some subject in a city a hundred or a thousand miles away. To get such photographs has meant trouble, disappointment, delay. Now, a cooperative service sponsored by the P.A. of A., does away with all the difficulty. You simply call in the local man who makes your commercial photographs, and he assumes full responsibility for any distant photograph you may desire.



The ONE TIRE that is Engineered for **All** Truck and Bus Service



Never before in history has a tire won ALL records for safety, speed, endurance and mileage in this heavy duty service, because never before has there been a tire so perfectly designed for trucks and buses—with such balanced construction from beads to tread—with every part of the tire engineered to function perfectly under the special conditions that trucks and buses meet.

How have these tires consistently out-performed all others under all conditions—high speed or normal—truck or bus—heavy transport or light delivery?

BETTER ENGINEERING—This is the answer! These tires give record-breaking results because better performance—more miles, greater safety, maximum riding comfort and protection to vehicle—is built into them.

Call the nearest Firestone Service Dealer. He is trained and equipped to save you money and serve you better.

MOST MILES PER DOLLAR

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER *Firestone*

If You Import or Export—

THIS 42-page pamphlet—"Foreign Commerce Handbook, 1928-1929"—contains valuable information.

It includes a hundred names and addresses handily arranged under 93 alphabetical subject headings and it directs you to first-hand sources of information in the foreign trade and service field.

10 cents a copy in any quantity

FOREIGN COMMERCE DEPARTMENT

United States Chamber of Commerce

Washington, D. C.

by most people to retain the thought of the book. A card file is the best help. Annotating the book and indexing the notes in the front is very helpful but requires a little more time in hunting up the information when it is to be used.

Mr. Gebhart has made a study¹⁰ of the high cost of funerals. Are they too high and can they be reduced?—W. L. H.

¹⁰**Funeral Costs**, by John C. Gebhart. G. P. Putnam's Sons, New York, 1928. \$3.50.

RECENT BOOKS RECEIVED

The Sociology of Life Insurance, by Edward A. Woods. D. Appleton and Company, New York, 1928. \$2.50.

The Labor Problem, by J. A. Estey. McGraw-Hill Book Company, Inc., New York, 1928. \$3.

The Cost of Living in the United States 1914-1927, National Industrial Conference Board, Inc., New York, 1928. \$2.

How to Solve Typical Business Problems, by William R. Basset. The B. C. Forbes Publishing Company, New York, 1928. \$2.50.

Tests of a Foreign Government Bond, by Ernest Minor Patterson. Payson and Clarke, Ltd., New York, 1928. \$2.50.

Economics of Consumption, by Warren C. Waite. McGraw-Hill Book Company, New York, 1928. \$3.

The Principles of Factory Organization and Management, by Ralph Currier Davis. Harper & Brothers, Publishers, New York, 1928. \$5.

German Commerce Yearbook 1928, edited by Hellmut Kuhnert. B. Westerman Co., Inc., New York. \$5.

The Problem of Indian Administration, Institute for Government Research. The Johns Hopkins Press, Baltimore, 1928. \$5.

The United States Civil Service Commission, by Darrell Hevenor Smith. The Johns Hopkins Press, Baltimore, 1928. \$1.50.

A Way of Order for Bituminous Coal, by Walton H. Hamilton and Helen R. Wright. The Macmillan Company, New York, 1928. \$2.50.

Grain, by S. J. Duly. Oxford University Press, American Branch, New York, 1928. \$3.

Financial History of the American Automobile Industry, by Lawrence H. Seltzer. Houghton Mifflin Company, Boston and New York, 1928. \$3.

European Tariff Policies Since the World War, by O. Delle Donne. Adelphi Company, New York, 1928. \$3.50.

Labor Relations—A Study Made in the Procter and Gamble Company, by Herbert Feis. Adelphi Company, New York, 1928. \$2.

The Execution of the Experts' Plan, reports of the Agent General for reparation payments. Published by the Office for Reparation Payments, Berlin. Distributed by A. W. Shaw Company, Chicago. Two volumes, \$4.

Jay Gould—The Story of a Fortune, by Robert Irving Warshaw. Greenberg, Publisher, New York, 1928. \$3.50.

**THROUGH
 THE EDITOR'S
 SPECS**



THE NATION'S BUSINESS prize—value and size of cup not yet decided—for the best contribution to the discussion of farm relief, goes to the following:

The *Wichita Eagle* was commenting on the accomplishment of Andy Payne, the winner of C. C. Pyle's Cross Country Derby.

"Well," said the *Eagle*, "Andy paid the mortgage on his farm, which is something very few farmers have been able to do."

Pip Thompson of the *Kansas City Star* quoted the *Eagle's* comment and said:

"But Andy ran to New York, not Washington."

THE second prize for the best contribution goes to the *Daily Iowan* publication in Iowa City, which community is famous in part as the seat of the University of Iowa. Says the *Iowan*:

Do Iowans favor the McNary-Haugen Bill? If so, how do they know they do?

After a careful canvass of the city, including every likely place of both town and university, it was found that there was not a single copy that the public could obtain.

The first day of the Sixth Commonwealth conference was devoted to a discussion of the farm relief bill drafted by McNary and Haugen. All persons present apparently had quite definite beliefs concerning the measure.

Where did they get these definite opinions? If residents of Iowa City, the educational center of the state, are denied the privilege of reading the bill, what about less fortunate persons living in small towns with poor library facilities?

SOME MEN are too literal-minded. Safety razor blades made in this country are exported to England. One make alone, it was estimated recently, would, if spread out, serve as a cover for the country eight times over. The picturesque mind which arrived at this conclusion was English, and thereupon another Englishman, Sir William Pope, a Cambridge professor, began to do some figuring. Accepting the eight times over statement, he reasoned thus:

The area and population of England are known as also are the dimensions and weight of the safety razor blades. A simple calculation shows that nearly 800,000,000 tons of this particular type of blade reach our shores annually, and that every year each man, woman and child consumes on the average about 20,000,000 blades, weighing between nineteen and twenty tons. Taking the cost of the blades at the moderate figure of two pence apiece, each in-

*In a Hundred places
 this morning, your
 Letterheads
 are saying more than
 you put on
 paper*



NO matter how much you may say in your letters about the responsibility and integrity of your business, it is possible that your letterheads may be telling an entirely different story. There is an elusive something in *Genuine Engraved Stationery* that seems to say "Success! Dependability! Quality!" Make your letterheads work for you instead of against you. Consult any dealer displaying the Mark of *Genuine Engraving*—he will gladly help you.



GENUINE ENGRAVED STATIONERY



At the famous Chateau Laurier

FIVE minutes walk from the Houses of Parliament, this dignified and beautiful hostelry is a natural meeting place for leaders in the social and political life of Canada's capital. Here statesmen from all over the world gather. At night the social activities of fashionable Ottawa find expression in the Chateau's ballrooms and salons.

A patronage such as this demands excellence . . . fine appointments . . . faultless service . . . infallible comfort. To meet these requirements, the Chateau Laurier in turn demands perfection from the staff and equipment which serves its guests.

When the Hotel Department of the Canadian National Railways recently decided to increase the accommodations of the Chateau by two hundred rooms, architects and engineers met the demand for perfection in ventilating equipment by specifying Sturtevant fans, air washing apparatus and motors.

B. F. STURTEVANT CO., Hyde Park, BOSTON, MASS.
Plants at: Berkeley, Cal. Camden, N. J. Framingham, Mass.
Galt, Ontario Hyde Park, Mass. Sturtevant, Wis.
Offices in Principal Cities

Sturtevant

REG. U. S. PAT. OFF.

HEATING-VENTILATING AND
POWER PLANT EQUIPMENT

Chateau Laurier, Ottawa, Canada. Concerned with the extension of this beautiful hotel are: — *Architect:* John S. Archibald. *Associate Architect:* John Scofield. *Associate Consulting Engineers:* Alex Wilson and Jas. A. Kearns. *Heating and Ventilating Contractor:* John Colford, Limited. —all of Montreal, Can.

habitant of the country spends over £150,000 per annum on safety blades. This tells us who pays the supertax.

Whilst disclaiming any desire to interfere with the innocent amusements of the people, I feel that this safety razor business is being overdone; traffic will be impeded and the scenery spoilt when the discarded blades cover our fair England eight deep. A mere million safety razor blades per annum should suffice to keep the normal individual clean shaven.

Why break down our faith? Always we have been ready to believe that if all the chewing gum stuck under the arms of moving picture theater seats could be turned into synthetic rubber it would supply all the tires (including spares) for the cars that Henry Ford did not make in 1927.

Why question figures, especially the "end-to-end" and "heaped one on the other" figures? They sound so imposing.

HERE is a woman reader who has a little program for dealing with this magazine of ours. She writes:

Every month immediately your magazine comes into the office, I use a portion of time, sometimes half hour or more, first for a cursory perusal and when time permits read one or more of the articles, or make a mental note to read special parts as soon as spare time will permit.

Moved by the box which went with Robert Duke's article, "Graft and the Helping Hand," in our May number, she discusses the courage of business men and makes this disheartening summary:

Also the doctrine would spread and men would more become the being, which women were lead to believe they were, i. e., courageous, fearless and able to stand on their own convictions and to have sound convictions. This was the idea of character the woman used to have put before her, as that of a man, in the days when she was wholly in the home, but has been much disillusioned since she went into the world and worked with them side by side in business, when she finds them far cattier one with another, small-minded and lacking in courage than any average woman could be.

W. L. WARD, Vice-President of the Bank of Baton Rouge, knows how to put this magazine to work. Says he in a letter:

I was much interested in the article in the May issue of your magazine entitled, "Graft and the Helping Hand," by Robert Duke.

Only this morning I was approached by a customer of this bank with the request for donation of \$10.00 for a set of curtains in a neighborhood school. I answered him by presenting the article above referred to. He accepted it in the spirit in which it was given and departed—without the donation.

HERE'S a Massachusetts farmer, Ezra I. Shaw, who says of agriculture:

I do feel that our great industry should be free from the meddling influence of the various government bureaus.

The extension service is the greatest offender. They spend vast sums of public money to stimulate production and in-

crease the surplus of farm products for which a market does not exist.

The experiment stations render a real service in advancing our knowledge and this information is available to any one who is interested enough to seek it. Besides all farm publications feature the results of their findings.

The extension service is a superfluous organization that does positive harm because it is forever trying to get the farmers to produce more stuff regardless of market conditions.

The population of this country will have to increase greatly before the American farmer will fail to produce enough food for all, provided his returns are encouraging.

State and Federal departments of Agriculture, instead of trying to improve the condition of the farmer are constantly endeavoring to get him to produce more for less.

How long would our labor unions exist if they served labor as the agricultural bureaus serve the tillers of the soil? Under the guise of aid to agriculture countless jobs are created to add to the cost of government and the burdens of the taxpayers.

Before Congress for consideration are two propositions that vitally effect the farmer. I refer to the Boulder Dam and the Columbia river irrigation project.

These projects will bring 2,000,000 acres of additional land into production at a time when existing farms cannot be run at a profit.

CHAINS and the individual store! How much of our correspondence runs on that subject? From Athens, Ohio, a wholesale grocer, writes us:

What about the common law of "economics?" The Chain System is today centralizing our money too rapidly. It is not getting its opportunity to show a normal turnover in the millions of American communities.

For instance consider the Grocery business of 335 billion annually as a basic industry instead of merely a form of distribution. Other so-called basic industries are mere infants in comparison. What percentage of this 335 billion are the chains controlling today and what effect is the centralizing of this money having on the economic welfare of the country?

Ever hear the story of the cork and the whale? It would continue to bob up despite the best efforts of the whale to keep it down. It is also true of the chain problem and it may as well be faced squarely and handled properly at this time as it will continually keep bobbing up despite efforts to "squelch" it or give it the run-around. The chain system is a menace and the fundamentals of arithmetic alone need be considered to prove this fact.

BEFORE Sinclair Lewis added Babbitt to our vocabulary, his Main Street was more or less synonymous with small-town life but a glance at the post office department's street directory of cities would show anyone that Main Street is no more typical of small towns than of large. Of our ten largest cities New York has a Main Street and so also has Brooklyn, one of its boroughs. Philadelphia, Los Angeles, St. Louis, Baltimore, Boston and Pittsburgh all have Main Streets. Only Chicago, Detroit and Cleveland are without them and Chicago has one as near as Chicago Heights, while Boston, city of



R. H. GLASSLEY,
Manager,



Montgomery Ward & Co.,
Oakland

Oldest MAIL ORDER HOUSE Ships from OAKLAND

WITH over fifty-six years of experience in shipping everything from needles to gas engines, from fine silks to linoleum, Montgomery Ward & Co. endorses Oakland. What the company has found through actual experience in the territory is interesting both to manufacturers and chain store operators. R. H. Glassley, manager of the Oakland division, writes:

"Our original choice of Oakland was made because of its facilities as a distributing center for the Pacific Southwest. Our experience since locating here has satisfied us that whether shipping by mail, express, rail or water freight—Oakland is the natural distributing center of the Pacific Coast and unexcelled by any other city in this regard. It is likewise the natural shopping center of Central California, a fact supported by the growth of, and territory served by, our retail store.

"Here is an abundance of high-grade labor of the better class available at all times. Over 60% of the workers in this district own their homes.

"Since commencing operations in Oakland our business has more than tripled, all in the short space of four and one-half years. During this time we have found it necessary to increase our floor space from 220,000 square feet to 635,000 square feet and further expansion is now being planned. We are now at the point which we had not hoped to reach before 1930.

"The Oakland division of Montgomery Ward & Co. itself furnishes a considerable market for manufacturers located in this growing industrial territory. Last year we bought 43% of our merchandise on the Pacific Coast and expect to make it 50% for this year."

[Statements of other nationally-known concerns giving their actual experience in the Oakland Industrial District have been published in the booklet, "We Selected Oakland," mailed on request without cost or obligation. Send for your copy.]

An industrial survey will be prepared for any manufacturer interested in a Pacific Coast plant. Write Industrial Department

Oakland Chamber of Commerce • Oakland, California
or the Chamber of Commerce of any of the following cities:

Alameda Berkeley
Centerville Emeryville Hayward Irvington Livermore
Newark Niles Pleasanton San Leandro



are the Evils of Vibration *wrecking the motor you use?*

DO you know that the tangential velocity of only *five hundredths of an ounce* of unbalanced armature weight in an electric motor will cause destructive vibration!

Vibration cannot always be heard. Long before you hear the rat-a-tat of loose bearings, vibration will have taken its toll of wear and lost power. *The cause of vibration must be removed before you receive the motor!*

Dumore Motors are free from the costly evils of vibration. Every Dumore armature is dynamically balanced on special balancing machines of our own design and construction. Vibration elimination, smoothness and quietness of operation, and freedom from bearing trouble are valuable features characteristic of Wisconsin Electric Company motors.

Send your product to our Engineering Research Department for experimental tests with Dumore Motors. We will submit a detailed report of these tests, recommending a motor which will be the most efficient and dependable for your unit. This service is gratis.

WISCONSIN ELECTRIC COMPANY
89 Sixteenth Street Racine, Wisconsin

»»»»» **DUMORE** «««««
TRADE MARK-REG U S PAT. OFF.
Dynamically Balanced Motors

When writing to WISCONSIN ELECTRIC COMPANY please mention Nation's Business

culture and refinement, rejoices in no less than ten Main Streets.

All of our great cities are but Gopher Prairies grown up, and they have not changed much in the growing.

Broadway differs but little from Main Street. And after all, Broadway does not belong to New York. The middle west is full of towns which count their populations in four figures but boast both a Main Street and a Broadway.

THE newspapers having reported that the ice industry seeks to meet competition by employing only ice men of good looks and pleasing manners, Stoddard King in *Spokesman Review* breaks into verse on the new competition:

It used to be true that, regardless of price,
All that we got from the iceman was ice.
As to manicured nails
He was no prince of Wales,
And there sometimes were rumors concerning his
scales.
Yet his tread on the porch we were happy to hear
When the weather was hot and the firmament clear.

They are making the iceman both clever and clean.
To compete with a shiny, enameled machine;
They are teaching him charm,
Which will do him no harm,
Though old-fashioned icemen may view with alarm
(And no one can blame them) the sort of a plan
That may make a dude of a hard-working man.

So let us prepare to be thoroughly nice
To the lovely young man who will bring us our ice.
For the personal touch
Means so terribly much
When dealing with iceman, and plumbers, and such.
We must mobilize quickly all cultural aids
To give polish and charm to our cooks and our maids.

AERICAN cities are getting their faces scrubbed, and a new industry is rapidly assuming very interesting proportions. Send your office building to the laundry and get it back by Saturday night, nicely washed and ironed! Washington, a number of northern municipalities, and, in the South, Atlanta, are going in for cleanliness, and as the dingy buildings shake off their soot and dust, and emerge with shining facades, all dolled up, and well-lathered behind the ears, one has to rub his eyes to recognize his own home town.

In Washington, for example, a new white city, spick and span, is coming into view by the magic of soap and water, and within the past year the artistic beauty of the Nation's Capital has been greatly enhanced. It costs around \$2,500 to steam clean and press an office building of average size, while the job of spick and spanning up the Treasury, or the Union Station, might run up as high as \$12,000. It is worth it. Beauty and cleanliness are real assets to any community.

ACORRESPONDENT in North Carolina who writes from the heart and feels that business is blind to the real plight of the farmer, writes as follows:

There is one solution, and one only to the farmer's problems. The solution is to quit absolutely producing anything on the farms except what their families need—certainly for two years. Whenever there is a surplus there is always a corresponding lowering of prices. This step need work

no hardship upon the world for we are told the world has supplies sufficient to feed and clothe it for at least two years.

What I write here is not the whine of an old man. The consensus of opinion among the most intelligent farmers is that we are fighting "with our backs to the wall."

One of the most intelligent and economical farmers in our section who has associated with him his son, a graduate of our State Agricultural College, told me that the combined efforts of his son and himself on their 400-acre farm did not bring profits equal to what a negro brakeman (who could neither read nor write) on the Atlantic Coast Line Road makes in a year.

"IT IS hard to make a foreigner who looks about him in this country pay much attention to talk about profitless prosperity," so writes Mr. A. Monteith Airth Richardson.

He says in his letter, "I was born in a poor country, Ireland, with no underground natural resources, and I have spent enough time here, in Mexico and Canada, to know that when people write 'No profits to be made in U. S. A.' they are talking through their hats."

Mr. Richardson does think that we should progress faster if it were easier for new ideas to find acceptance. He writes:

"If you had a page where the poor man with genius could lay before your readers what he has to offer, say in 100 words, for a \$10 bill, you would be putting business men in touch with American genius. Brains looking for an opportunity to get recognition. . . . 'Entrenched Capital' seldom smiles on 'New Ideas' which would 'Scrap a Lot of Their Investment.' Sometimes they get them and they are pigeon-holed. Not so in Germany. There they want the newest and best systems."

SOME foreign newspaper writers cannot understand how this country gets such a lead in the business world. We guess they never read about that American salesman who sold a huge cold storage ice-making apparatus to Lomen Brothers, the reindeer barons of Nome, Alaska.

OUT in California where the West is really West and it can't be much wester until you get to China, and there the East begins, a baby was born the other day. The fond parents, so *The World Tomorrow* tells us, thus announced the child in a local paper:

The 1928 model of the Calkins runabout, John Gerry, arrived at 4:35 a.m., May 16, 1928. Mohair top and red body. Chassis length 20 inches. Full weight seven pounds. Engine hesitated when first turned over, sputtered a couple of times, and then choked. Later gave an example of perfect performance, and has operated continuously for over 12 hours without refueling. We shall be glad to have you call and inspect the latest model in motordom at our show rooms on College Way where the runabout will speak for itself. Signed, James and Marion Calkins, Inc.

USE THE RIGHT STEEL FOR THE RIGHT PURPOSE



A Staff of Metallurgists for Field Service

UNDER existing conditions of keen competition and changing demands, the necessity to "use the right steel for the right purpose" frequently calls for expert metallurgical advice. Plant executives are continually facing unusual problems requiring the use of different types of steels or heat treatments.

To meet this need we maintain a staff of experts thoroughly trained and experienced in steel applications as well as machine design and set-up. Without obligation, their service is rendered right in the plants of those manufacturers desiring such cooperation.

UNION DRAWN STEEL CO.
Beaver Falls, Pa.

UNION DRAWN
STEELS

When writing to UNION DRAWN STEEL CO. please mention *Nation's Business*

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THIS is the fourth of a series of editorials written by leading advertising men on the general subject of "Advertising"



It's Old, Before the New Wears Off

CHARLES F. KETTERING, head of the General Motors Research Laboratories, recently pointed out how the automotive engineer, no less than the designer of clothing, must keep everlastingly abreast of public taste.

To illustrate he said: "Suppose we were to take today a new automobile and enclose it in an airtight glass case. Then suppose that at the end of a year we should ask the public to come in and look at the car. They would find its finish still lustrous, its upholstery flawless and its chassis as perfect as the day it left the factory. But if we were to ask them to write what they would pay for the car, the figure would be less than the list price it carries today.

"Then if we had them come back a year later—two years later—and asked the same question, we would find that each estimate would always be less than the preceding. Ultimately they would say: 'Although the car has never been used, it's obsolete. We are not interested in it.'

"Our car would be the same but public taste would have changed."

In that story is food for thought for all who use advertising. Public taste and public opinion are always in a state of flux; what is fresh and stimulating today is old-fashioned tomorrow.

Advertising is governed by the same broad rule. The principle, "Let well enough alone," means stagnation and decay. What stirs the imagination today arouses only casual interest tomorrow.

All this seems very simple—because it is fundamental. It can be disregarded only with disastrous results by the man who is concerned in the continued effectiveness of advertising effort.

Let him be watchful of changing trends in public taste, and manner of living. Let him discard the old without regret and act promptly to meet new conditions with fresh ideas and methods of attack. If he does, he is destined to come out on top.

H. T. EWALD
Campbell-Ewald Co.
Detroit, Michigan